

## LP 6 - VPO Comments on Assets

District: 1

Property Number: 223

Property Name: Red Roof Inn San Antonio Airport

Rank: B-

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**General:** Property is in good overall condition; segmentation is Local Corp, National IBT, OTA's, and Government.

Extremely handicapped location: Poor visibility located off Main Street, off Side Street, behind airport, opposite side of natural travel patterns.

- **Is there any new supply that entered the market in the last 24 months?** Not Direct

- **Is any new supply coming in the next 24 months that can impact this property?**

All, as major demand generator is downtown.

Under Construction		Planning	
Properties	Rooms	Properties	Rooms
7	706	26	2470

- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
San Antonio International Airport has announced the closure of the economy parking lot as of September 30, 2010.  
Long term Government Aviation Investment targets Kelly Air force Base (12.5 Miles to the Southwest) and "minimal incremental development may be required to meet aviation demands over the next 20 years".
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?** No
- **Any other major things that can impact hotel positively or negatively**  
Eroding market conditions exist due to CVVB 3 year booking cycle '08 & '09 Off Convention Demand, Low '11 & '12. Low Barriers of Entry continue see in planning, new directly competitive inventory in 2011, little opportunity for rate growth
- **Reservation contribution change.** Marginally Up overall, dramatic increase in Government

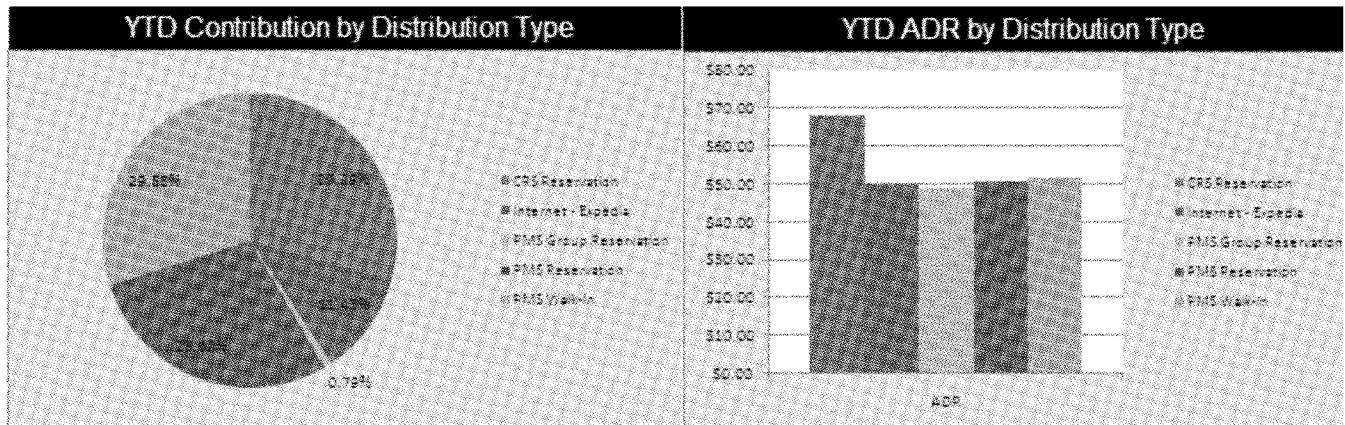
**PL Sum. J.**

**Ex. 147**

Property Number: 223

Property Name: Red Roof Inn San Antonio Airport

Rank: B-



- Why are we better or worse in STR performance to prior or tract or comp set?

December 2010 vs. 2009 Percent Change (%)									
	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	-4.7	-5.5	0.9	-1.9	-10.8	9.9	-6.5	-15.8	11.0
Year To Date	0.7	1.8	-1.0	-2.2	-6.2	4.3	-1.5	-4.6	3.2
Running 3 Month	-6.0	9.4	-14.1	2.6	-4.2	7.1	-3.5	4.8	-7.9
Running 12 Month	0.7	1.8	-1.0	-2.2	-6.2	4.3	-1.5	-4.6	3.2

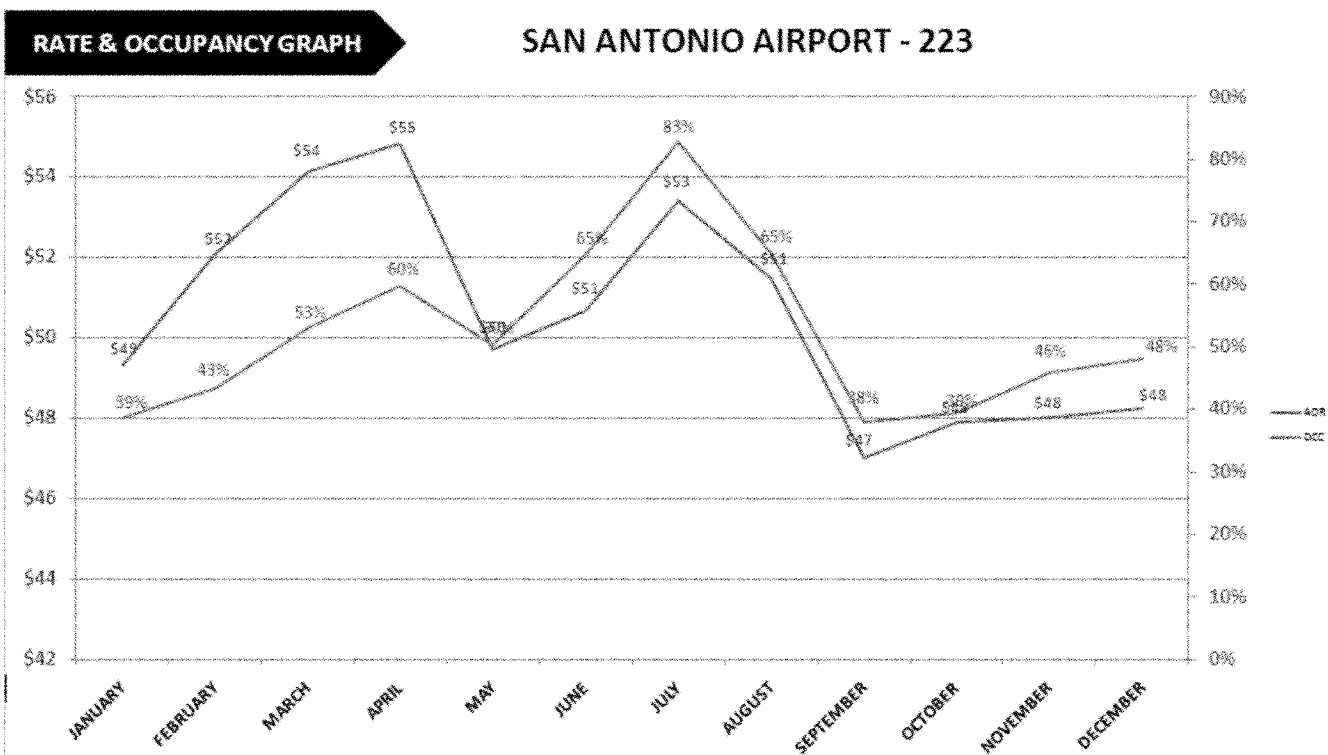
- Talk to the projections for 2011.

Revenue Strategies implemented in 2Q 2010 leverage the brands lower cost per occupied room basis to drive incremental occupancies share winning revenue growth strategy and off setting earnings, despite downward overall rate pressure. This will benefit the property through 1Q & 2Q. Rate growth has been challenged and we may not be able to make budgeted ADR but occupancy growth is ok.

Property Number: 223

Property Name: Red Roof Inn San Antonio Airport

Rank: B-



- Review Capex needs of each asset. Validate and add to what John V provides. Agreement with capex plans.

Supply growth in the market has grown consistently over past few years contributing to the negative occupancy index growth.

**Property Number: 228****Property Name: Red Roof Inn San Francisco Airport****Rank: A**

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**General:** Property is in good overall condition; segmentation is primarily airport/airline related mix of corporate training, distress, extended stay local gray color, and airline commuter; park n fly; sports; Local FIT & leisure primarily in summer. Property is a great representation for the brand in major international hub, good location & proximity to SFO Airport; Restaurant in building with third party operator.

In 2010, the property experienced the loss of United Airlines Distress Passenger contract due to desperate full service rate competition. This represented nearly \$300K worth of business in 2009. In response, the property developed an internal Airline Employee Commuter Rate Plan which was \$10 less in ADR. Currently, this program is on pace to generate nearly \$400,000 in revenues in 2011. This inventory is NLRA (Non Last Room Available) and does not create any competitive rate pressure as it is marketed solely at a grass roots level (found money).

**Is there any new supply that entered the market in the last 24 months?**

- New Holiday Inn Express (2 Mi) San Mateo
- Hilton Garden, neighboring (Re-opened after extended closure)
- Days Inn converted to Fairfield (Millbrae)

**Is any new supply coming in the next 24 months that can impact this property?**

- New Hilton in planning at the terminal in 2014

**Are there any fundamental changes in demand generators that will impact asset positive or negative?**

- Highest demand the market has experienced was during the dot com boom.

**Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**

- International USTA Pow Wow June 2010;
- America's Cup 2012

**Any other major things that can impact hotel positively or negatively**

- No, barring Natural Disasters: Earthquake Risk

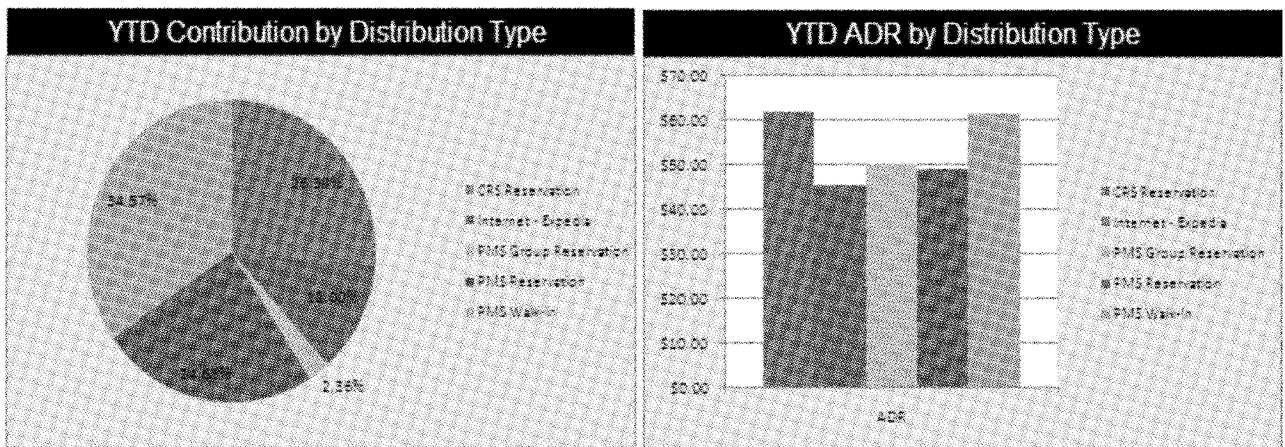
**Reservation contribution change.**



Property Number: 228

Property Name: Red Roof Inn San Francisco Airport

Rank: A

**Why are we better or worse in STR performance to prior or tract or comp set?**

- We are seeing demand increase to 2008 due to a sliver by sliver base building in Group, FIT, and local Corp. Rates remain extremely competitive in all market classes (rate delta is less \$100 between economy and upper upscale), supply (62 hotels & 8812 rooms)

December 2010 vs. 2009 Percent Change (%)									
	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	42.3	3.8	37.1	-4.7	8.7	-12.3	35.7	12.8	20.3
Year To Date	25.3	6.7	17.5	-1.9	3.0	-4.7	22.9	9.8	11.9
Running 3 Month	28.1	3.4	23.9	-3.8	5.8	-9.0	23.3	9.4	12.7
Running 12 Month	25.3	6.7	17.5	-1.9	3.0	-4.7	22.9	9.8	11.9

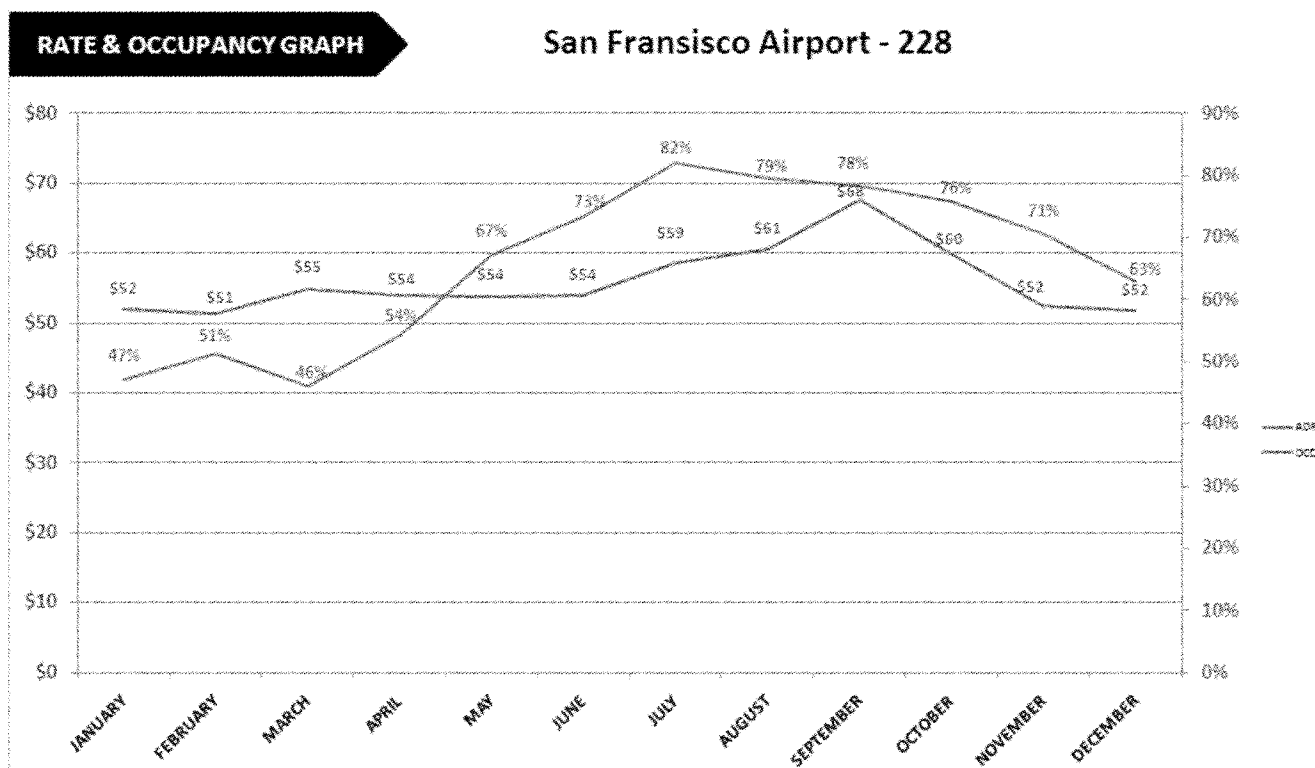
**Talk to the projections for 2011.**

- Airline Commuter Rate \$250k new found business in 2010 and demand continues to grow. Anticipate building yield over peak summer months which should contribute significant ADR growth and flow through earnings.

Property Number: 228

Property Name: Red Roof Inn San Francisco Airport

Rank: A



**Review Capex needs of each asset. Validate and add to what John V provides.**

- Includes necessary Cap notations with the exception of parking lot needs resurfaced in the back lot versus seal and stripe; elevators (2) need cabs redone & mechanically 30 years old, pool patio & hotel balconies, elevator landings, grounds require California caliber upgrade versus RRI standard due to brand representation in market area. Sales office needs integration in public areas for marketing & visibility benefit.

## LP 6 - VPO Comments on Assets

District: 1

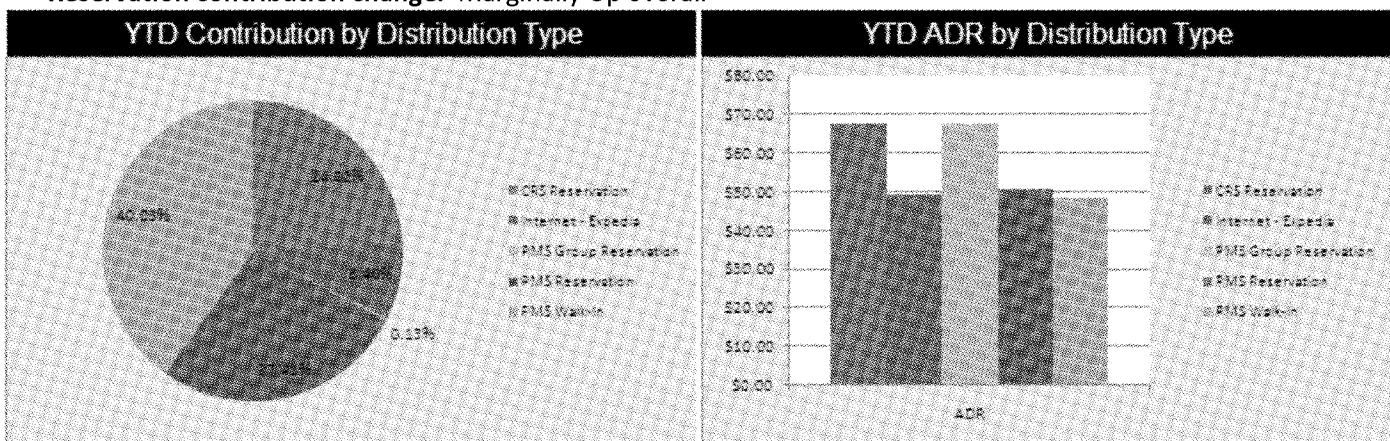
Property Number: 240

Property Name: Red Roof Inn SeaWorld

Rank: B-

**General:** Property is in poor overall condition; segmentation is travel & leisure, extended stay. San Antonio experienced over a 9% growth in Supply in 2010 and has an additional 700 rooms currently under construction and anticipated to open in 2011. The property is over 25 years old and suffers from low visibility which is the primary contributors to an eroding penetration during periods of excess supply and low demand. With Off Peak rate pressure placing competitive retail rates as low as \$39; the property has benefited from extended stay.

- **Is there any new supply that entered the market in the last 24 months?**  
500 new rooms in the market past 24 months.
- **Is any new supply coming in the next 24 months that can impact this property?**  
100 rooms this year, 700 more rooms under construction.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
Excess supply, no real demand generators outside of Larkspur Air force Base during graduations and SeaWorld in summer.
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
No
- **Any other major things that can impact hotel positively or negatively**  
Last year the property was adversely impacted during its peak with the bad press surrounding the Orka attack on the trainer, this will cycle out in 2011.
- **Reservation contribution change. Marginally Up overall**



Property Number: 240

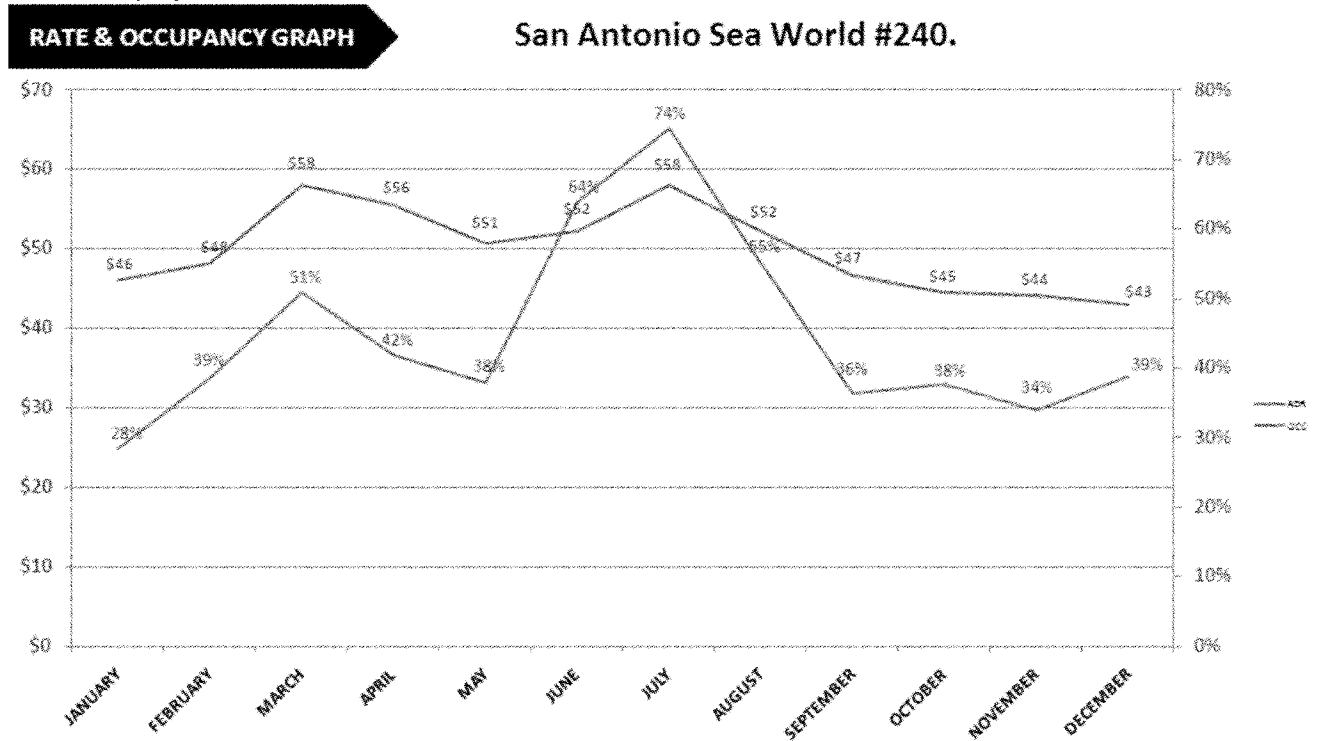
Property Name: Red Roof Inn SeaWorld

Rank: B-

- Why are we better or worse in STR performance to prior or tract or comp set?

December 2010 vs. 2009 Percent Change (%)									
	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	-1.9	8.6	-9.7	-1.3	-5.6	4.5	-3.2	2.6	-5.6
Year To Date	-1.4	2.5	-3.8	-4.9	-9.2	4.8	-6.2	-7.0	0.8
Running 3 Month	-3.6	11.4	-13.5	1.2	-8.0	10.1	-2.4	2.5	-4.8
Running 12 Month	-1.4	2.5	-3.8	-4.9	-9.2	4.8	-6.2	-7.0	0.8

- Talk to the projections for 2011.



- Review Capex needs of each asset. Validate and add to what John V provides. Agreement with capex plans.

Lots of new supply added in 2010 and more planned to open soon.

## LP 6 - VPO Comments on Assets

District: 1

Property Number: 262

Property Name: Red Roof Inn Columbus Convention Center

Rank: B

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**General:** Property is in excellent overall condition; The Downtown Columbus Market is 80% Corporate & Government and 20% Leisure. Columbus Convention Center, Nationwide Arena, Sports Arena's

- Is there any new supply that entered the market in the last 24 months? No

- Is any new supply coming in the next 24 months that can impact this property?

Under Construction

Planning

Properties

Rooms

Properties

Rooms

5

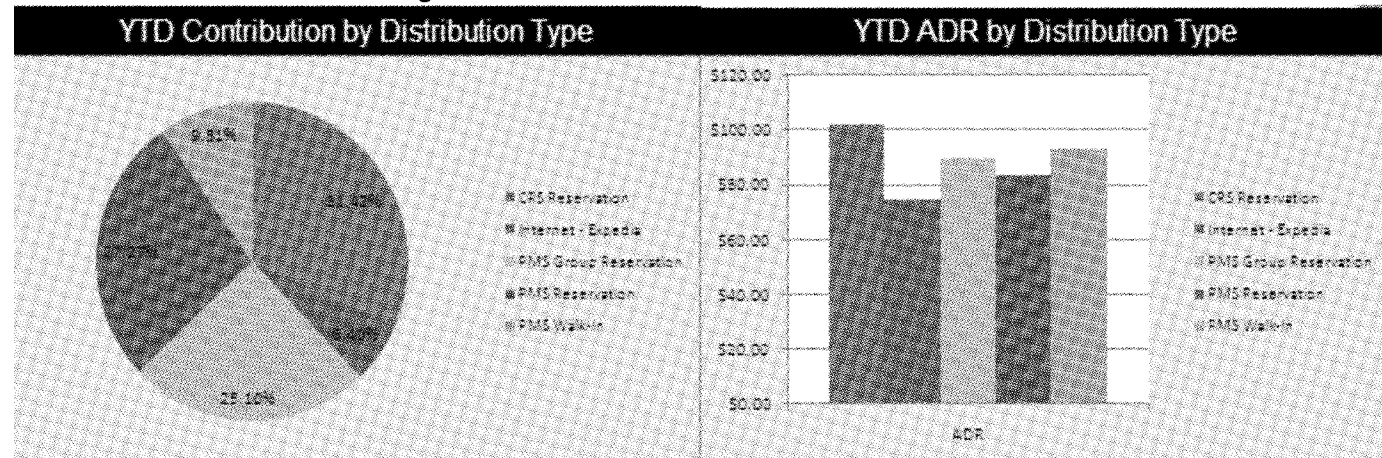
948

16

1355

Hilton Convention Center Opening 2012

- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
Focus/Limited service hotels typically perform well in environments where there is a greater supply in convention/large full service hotels and a constrained corporate business traveler whose primary motive to purchase is location & simplicity and have been historically forced in these larger properties. They're typical requirements include a Loyalty Program with destinations desirable for their families, breakfast, a fresh room product that is comfortable and appealing for sleep, shower, and working.
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?** No
- **Any other major things that can impact hotel positively or negatively** No
- **Reservation contribution change.**



**Property Number: 262**

**Property Name: Red Roof Inn Columbus Convention Center**

**Rank: B**

- Why are we better or worse in STR performance to prior or tract or comp set?**

The Downtown Columbus Market is 80% Corporate & Government and 20% Leisure. The property commands the lion's share of the leisure market with nearly an 80% overall penetration and just 20% penetration of the greater Corporate & Government Segments. The property's location doesn't lend itself well for government, traveling primarily to the "Broad St" area.

December 2010 vs. 2009 Percent Change (%)									
	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	73.9	-4.4	81.9	-0.4	6.9	-6.9	73.1	2.2	69.3
Year To Date	11.4	1.5	9.7	-2.0	4.8	-6.5	9.2	6.4	2.6
Running 3 Month	41.6	3.3	37.0	2.2	6.8	-4.4	44.6	10.4	31.0
Running 12 Month	11.4	1.5	9.7	-2.0	4.8	-6.5	9.2	6.4	2.6

- Talk to the projections for 2011.**

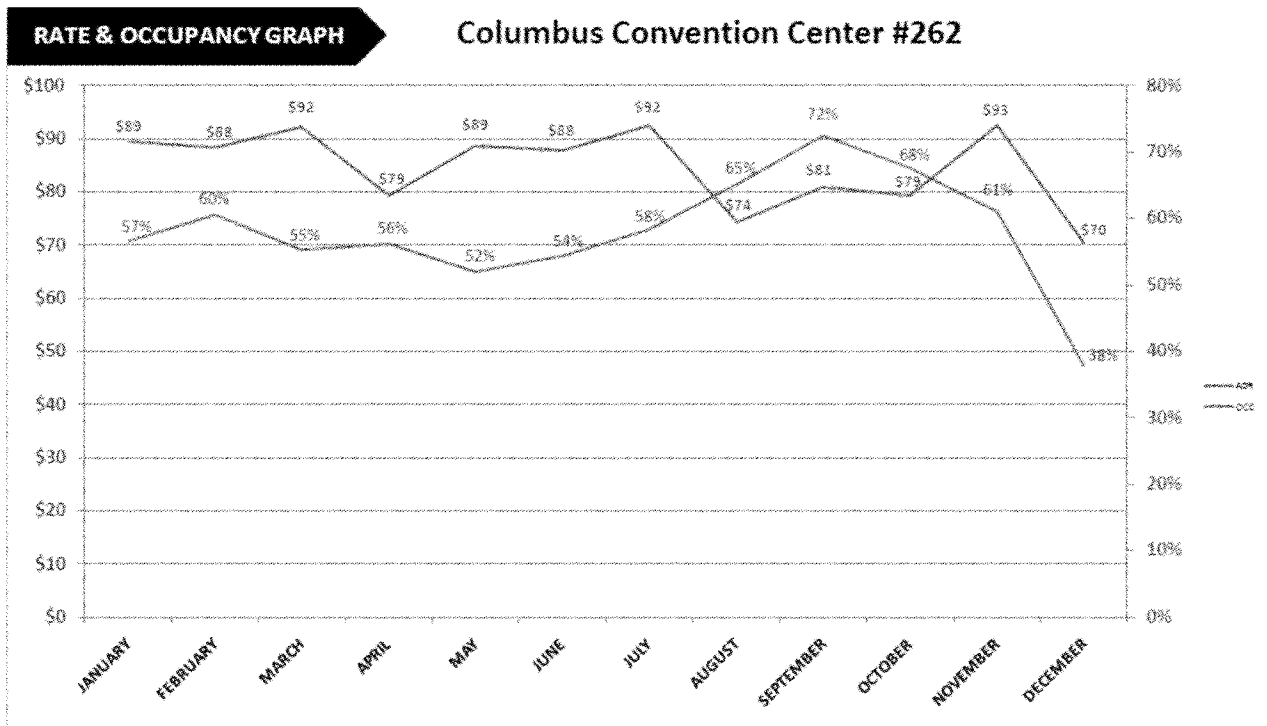
The market has a great number of Focus options, Hampton Inn, Drury. The Red Roof Inn has a severe access handicap, as is difficult to get to the hotel. Patrons are required to cross a busy four lane divided roadway with luggage in tow. Considerations toward accommodations such as valet service add unwanted hassle and would typically be a benefit in times of high demand, resulting unnecessary wait times for shuttle / valet rotation.



Property Number: 262

Property Name: Red Roof Inn Columbus Convention Center

Rank: B



- Review Capex needs of each asset. Validate and add to what John V provides. Agreement with capex plans.

Drop in occupancy in 2009 due in part to market conditions and also due to drop in Convention Center bookings.

Also, in 2009, had higher volume of Training rooms from Red Roof corporate.

**Property Number: 304**

**Property Name: Red Roof Inn Seatac Airport**

**Rank: A**

**General:** Property is in good overall condition; Segmentation: Airport/airline Corporate Travel, Distress, and park n fly. Leisure cruise & FIT in Summer.. Property is a great representation for the brand in major international hub, good location & proximity to Seattle Airport

- **Is there any new supply that entered the market in the last 24 months?** No
- **Is any new supply coming in the next 24 months that can impact this property?** No
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**

SeaTac Station Area Redevelopment Plan

The South 154th Street Station Area is approximately 42 acres and is located in the north-central section of SeaTac on its eastern border with the City of Tukwila. It is bounded on the east by International Boulevard, the City's corporate limit, on the south by SR 518, and on the west mostly by 30th Ave. S.

The northern border follows parcel lines mid-way between S. 152nd St. and S. 150th St. International Blvd., a north/south regional arterial, separates the project area from the light rail station. The approximate distance from the station platform to the station area is 500 feet.

The purpose of this Action Plan is to encourage transit- and pedestrian-friendly redevelopment of this station area by providing citizens, business owners, property owners, Sound Transit, and the City with up-to-date market information, feasible land use alternatives, appropriate capital investments, and opportunities for joint public-private partnerships.

<http://cityofseatac.com/Modules/ShowDocument.aspx?documentid=308>

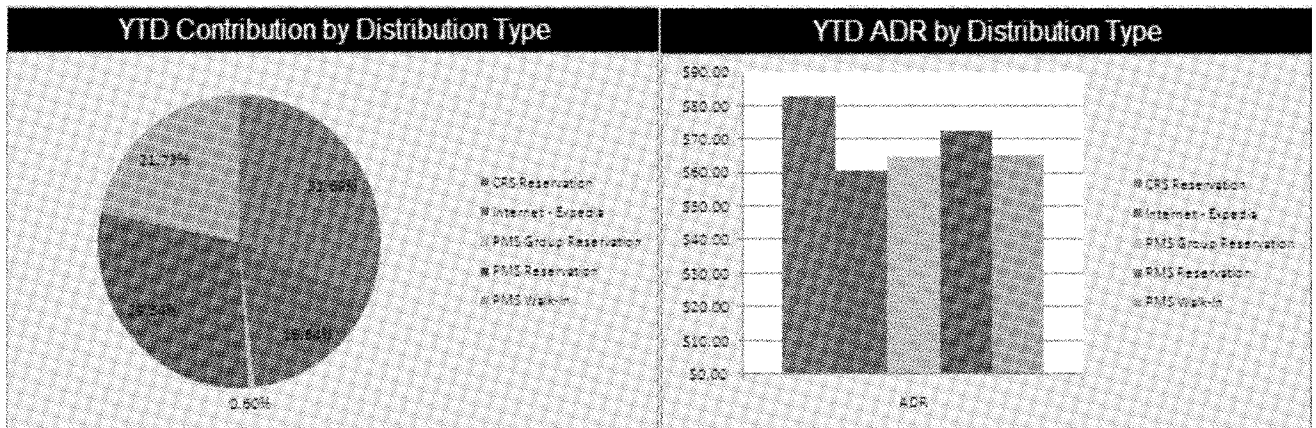
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?** No
- **Any other major things that can impact hotel positively or negatively** Construction and Relocation of rental car parking to off premise, freeing over 800 new parking places at airport
- **Reservation contribution change.**



Property Number: 304

Property Name: Red Roof Inn Seatac Airport

Rank: A



- Why are we better or worse in STR performance to prior or tract or comp set?

December 2010 vs. 2009 Percent Change (%)									
	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index	My Prop	Comp Set	Index	My Prop	Comp Set	Index
Current Month	21.2	-6.2	29.2	7.4	3.8	3.4	30.1	-2.7	33.6
Year To Date	12.0	-3.4	15.9	1.5	0.1	1.5	13.7	-3.3	17.6
Running 3 Month	17.5	1.0	16.2	6.6	2.6	3.8	25.2	3.7	20.7
Running 12 Month	12.0	-3.4	15.9	1.5	0.1	1.5	13.7	-3.3	17.6

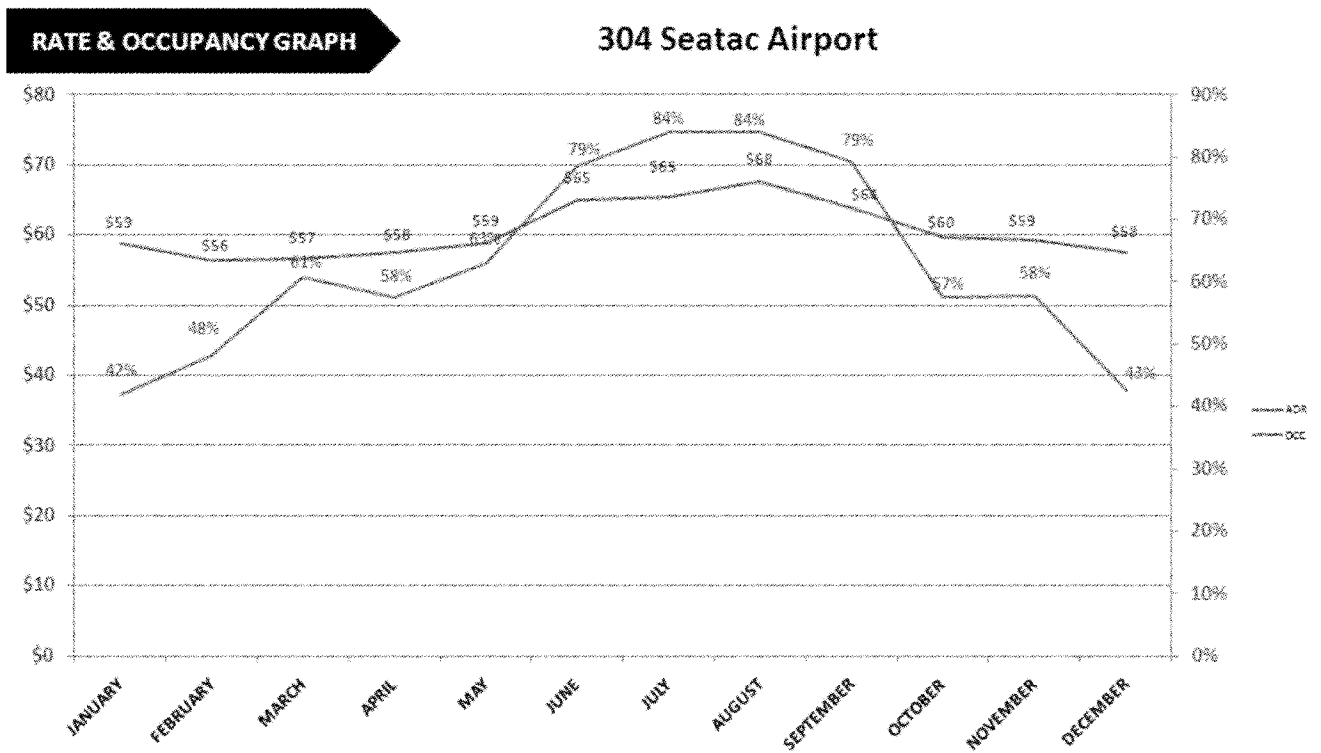
- Talk to the projections for 2011.

Property will be taking advantage of 40 newly renovated, newly remodeled guest rooms not formerly available.

Property Number: 304

Property Name: Red Roof Inn Seatac Airport

Rank: A



- Review Capex needs of each asset. Validate and add to what John V provides. Agreement with capex plans.

## LP 6 - VPO Comments on Assets

District: 3

Property Number: 128  
 Property Name: Jackson  
 Rank: C

General Comments: Classic inn, one building 12 years old, the other original. Needs some cap improvements.

- Is there any new supply that entered the market in the last 24 months? Yes, Hilton Garden Inn late 2008, Embassy Suites, Hyatt Place 2009. Holiday Inn Express 2010
- Is any new supply coming in the next 24 months that can impact this property? Looking for a couple of new hotels near Madison (close to Ridgeland area).
- Are there any fundamental changes in demand generators that will impact asset positive or negative? Construction has dropped in the area. Exterior mall on tap before end of year would help with potential construction.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? No
- Any other major things that can impact hotel positively or negatively? No
- Reservation contribution change.

	2010	2009	Var
CRS	11.04%	12.14%	-1.10%
PMS			
Grps	0.55%	0.28%	0.27%
PMR			
Res	14.71%	41.07%	-26.36%
Walk-in	73.69%	46.51%	27.18%

- Why are we better or worse in STR performance to prior or tract or comp set?  
Product without renovation, ADR could not be pushed due to market conditions. Competing with Motel 6 at \$29.99 to \$31.99 and LQ, Super 8 and Econolodge at \$34 - 41.00.
- Talk to the projections for 2011.  
Revenue forecasted to be down slightly based upon new supply and current age of hotel.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Unanticipated costs associated with second building shifting. Other: Seal and Stripe, Carpets (67 rooms) Drapes (ALL) 56 tubs, furniture

Condition issue exists in 2<sup>nd</sup> building related to foundation shift.

Significant R&M expenses in 2010, \$30K for keys; \$11K for plumbing issues; \$13K for bed bug issue.

## LP 6 - VPO Comments on Assets

District: 3

Property Number: #131  
 Property Name: Jackson Fairgrounds  
 Rank: C

General Comments: Classic inn, more challenged area than other Jackson property. If we keep it we will need to spend some money to bring up to Brand Standard and be competitive.

- Is there any new supply that entered the market in the last 24 months? Comfort Inn and Hilton Garden Inn. Both properties opened 11/10.
- Is any new supply coming in the next 24 months that can impact this property? Yes, new hotel near Hospital under construction could take our hospital business.
- Are there any fundamental changes in demand generators that will impact asset positive or negative? No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? No
- Any other major things that can impact hotel positively or negatively  
Completion of Downtown Entertainment District this year could help.
- Reservation contribution change.
 

CRS	15.70%	15.76%	-0.06%
Internet	0.00%	0.00%	0.00%
Grps	3.41%	3.67%	-0.26%
PMS			
Res	25.51%	44.64%	-19.13%
Walk-in	55.38%	35.92%	19.46%
- Why are we better or worse in STR performance to prior or tract or comp set?  
Loss some occupancy with Events, worn product, and some quality challenges here.
- Talk to the projections for 2011.  
Should be able to a capitalize during high demand, also less rooms Out of Order.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Bedding, carpets, furniture, seal and stripe. Storage building.

Very poor product. Heavy R/M expenses in 2010 for several areas; landscape, electrical, plumbing, signage, OOO Rooms.

## LP 6 - VPO Comments on Assets

District: 3

Property Number: 210  
 Property Name: Austin North  
 Rank: C+

General Comments: Property has potential; with a renovation here we see some upside with pushing rate and getting a good ROI, however, ROI may not be within limits.

- Is there any new supply that entered the market in the last 24 months?  
Yes, Fairfield Inn & Suites, 150 rooms, 9/09, 5 mi south.
- Is any new supply coming in the next 24 months that can impact this property?  
Yes, Hampton Inn & Suites (not started yet) 5 mi. north
- Are there any fundamental changes in demand generators that will impact asset positive or negative? Yes, Samsung 9/10/10 - 2/11, 434 room nights, just under \$14K.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No.
- Any other major things that can impact hotel positively or negatively. No
- Reservation contribution change.
 

CRS	25.94%	34.54%	-8.60%
Internet	9.81%	4.62%	5.19%
Grps	0.40%	0.08%	0.32%
PMS			
Res	63.85%	60.75%	3.10%
Walk-in	?	?	
- Why are we better or worse in STR performance to prior or tract or comp set?  
Weekly rate strategy worked well here last year.
- Talk to the projections for 2011.  
With planned construction projects in market, expect to continue to trend well with weekly business. ADR down \$7 from '07 & '08 and not likely to return soon. This has negative impact on NOI performance.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Classic Inn needs renovation. Other items: Water tank, Water Heater, Roof leaks, Pool deck, Railing, Furniture.

## LP 6 - VPO Comments on Assets

District: 3

Property Number: 261  
 Property Name: Phoenix West  
 Rank: C

General Comments: Gen II inn with a history of outperforming nearby hotels. Long term GM who manages in well.

- Is there any new supply that entered the market in the last 24 months? No
- Is any new supply coming in the next 24 months that can impact this property? No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?
  1. Our Wednesday night auto auction business is affected by both the economy and the gas prices increases-we anticipate some loss of mid-week business.
  2. One of the areas hotels (a Days Inn) converted to another flag and is now an extended stay property. We have 3 extended stay properties on this interstate exit.
  3. FedEx has converted from a CLC billing to MSI sign-in sheets plus they had a major lay-off, so we have seen a drop off in their stays as well. We were averaging 5-20 room nights a week. We've had 4-6 room nights in the month of February.
- Any one time events, like super bowl, that helped or hurt revenues? No
- Any other major things that can impact hotel positively or negatively?  
Yes, as gas prices rise we see less transient/drive in business.
- Reservation contribution change.
 

CRS	20.45%	25.73%	-5.28%
Internet	7.50%	2.21%	5.29%
Grps	0.76%	0.48%	0.28%
PMS			
Res	14.86%	38.10%	-23.24%
Walk-in	56.43%	33.49%	22.94%
- Why are we better or worse in STR performance to prior or tract or comp set?  
Comp set is comprised of older, outdoor entry locations is part of the reason we out-perform them on our STR report. Only one property (Motel 6) has had a renovation comparable to ours in 2006. The other two properties are dated and tired looking
- Talk to the projections for 2011.  
With current trends and condition of comp we expect to meet revenue budget.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Shower walls and Walls, Sink & Vanities not part of 2006 minor Seal and Stripe, Bedding (90% original) Suite furniture, Carpets, some room furniture.

High ADR in '06-'08 will not return soon, combined with lower Occupancy is main reason for decline in NOI performance.

Occupancy decline in budget due in part to drop in FedEx business.

<b>LP 6 - VPO Comments on Assets</b>	<b>District: 4</b>
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**Property Number:** 10040

**Property Name:** Springfield, IL

**Rank:** C

**General Comments:** Due to the uncertain disposition of the hotel during the past 12 months, reinvestment into the property has been kept to subsistence level.

- Is there any new supply that entered the market in the last 24 months?  
No new construction.
- Is any new supply coming in the next 24 months that can impact this property?  
No new supply has been identified
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
  
No.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
The annual horse show and fairground events will help occupancy in the summer season.
- Any other major things that can impact hotel positively or negatively.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(272)	(558)	(0.10)	(\$25,949.28)	-3.04%	\$0.91
Internet - Expedia	604	201	0.19	\$18,985.03	2.22%	\$0.67
PMS Group Reservation	(2)	11	0.83	\$226.68	0.03%	(\$13.42)
PMS Reservation	(2,246)	(2,358)	0.40	(\$108,144.56)	-12.67%	(\$0.45)
PMS Walk-In	2,700	3,495	0.02	\$157,705.21	18.47%	(\$0.90)
<b>Total</b>	<b>784</b>	<b>791</b>	<b>(0.02)</b>	<b>\$42,823.08</b>	<b>5.02%</b>	<b>\$0.32</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Quality continues to suffer; murder, security issues, location; management and hourly turnover
- Talk to the projections for 2011.  
Seasonal opportunities in the first two months with snow storms and adverse travel have had some effect on occupancy. As the economy continues a positive growth, the numbers for 2011 project to be attainable on the revenue side.
- Review Capex needs of each asset. Validate and add to what John V. provides.

Parking lot resurfacing, replacement of carpet, worn furniture, fixtures and equipment; bedding, Needs renovation.

## LP 6 - VPO Comments on Assets

District: 4

Property Number: 10051

Property Name: Kansas City North/Worlds of Fun

Rank: C

Classic property that struggles against new and renovated locations. Unable to grow ADR.

- Is there any new supply that entered the market in the last 24 months?  
Candlewood and Suites opened July of 2010  
The Quality Inn changed it flag to a Holiday Inn Express \$3 to \$4 million dollar Renovation  
The Park Place Hotel has changed it flag to a Ramada Inn.
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
  
Nascar has added a race in June of 2011 that will impact the inn positively.  
Worlds of fun and Oceans of Fun spent \$8 million to renovate the park.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
July 2012 Kansas City will Host the MLB All-Star Game
- Any other major things that can impact hotel positively or negatively  
Nothing at this time.
- Reservation contribution change.

Distribution Type
CRS Reservation
Internet - Expedia
PMS Group Reservation
PMS Reservation
PMS Walk-In
Total

# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
(165)	(958)	(0.32)	(\$13,675.56)	-1.76%	\$12.72
(94)	(240)	(0.33)	(\$3,879.59)	-0.50%	\$9.29
17	42	0.21	\$1,987.53	0.26%	\$0.96
(1,313)	(2,202)	(0.07)	(\$95,304.34)	-12.29%	(\$0.66)
2,289	2,987	0.01	\$123,562.99	15.94%	(\$0.63)
734	(371)	(0.09)	\$12,691.03	1.64%	\$1.67

- Why are we better or worse in STR performance to prior or tract or comp set?  
Value-My comp set has a newer product. All inns have gone through some type of renovation in the past 5 years.  
Super 8 and Crossland were built after my last renovation. The Day's Inn renovated 1.5 years ago. The La Quinta Inn had a full renovation (Inside and Outside) 1.5 years ago.
- Talk to the projections for 2011.  
2011 should be a good year with the additional Nascar race in June & the expansion of Worlds of Fun and Oceans of Fun.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Bedsets, PTACs, Parking lot, carpets, paint (exterior and rooms).

2010 had a fee of approx. \$20K due to cancelation of sale paid to potential buyer.



LP 6 - VPO Comments on Assets		District: 4
Property Number:	10057	
Property Name:	Peoria, IL	
Rank:	C/B+	

**General Comments:** Non-renovated classic chalet style property.

- Is there any new supply that entered the market in the last 24 months? No.
- Is any new supply coming in the next 24 months that can impact this property? No.
- Are there any fundamental changes in demand generators that will impact asset positive or negative? Construction in the area is down.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? Last July 16 – Aug 10 the USA Roller Sports had their national championships at the Peoria Civic Center Carver Arena. This is a traveling event and will not be back to Peoria on a regular basis.
- Any other major things that can impact hotel positively or negatively. No
- Reservation contribution change.

Distribution Type
CRS Reservation
Internet - Expedia
PMS Group Reservation
PMS Reservation
PMS Walk-In
<b>Total</b>

# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
(135)	(342)	(0.09)	(\$8,570.50)	-0.84%	\$3.84
548	(77)	(0.25)	\$17,419.47	1.71%	\$2.81
(27)	(126)	(0.67)	(\$5,329.67)	-0.52%	\$2.76
(3,121)	(4,141)	0.22	(\$206,205.83)	-20.24%	(\$1.13)
2,766	4,001	0.07	\$193,582.95	19.00%	(\$0.55)
<b>31</b>	<b>(685)</b>	<b>(0.05)</b>	<b>(\$9,103.58)</b>	<b>-0.89%</b>	<b>\$1.21</b>

- Why are we better or worse in STR performance to prior or tract or comp set? Loss of construction workers that have historically stayed with us.
- Talk to the projections for 2011. As ICU location, asset is receiving scrutiny and assistance that will result in inn achieving goals.
- Review Capex needs of each asset. Validate and add to what John V. provides.

PTACs, carpets, bedsets, chairs, TVs, tubs, painting, parking lots, walkways

Adjacent restaurant closed in February 2011  
Good location and visibility with challenged access

LP 6 - VPO Comments on Assets		District: 4
<b>Property Number:</b>	<b>10063</b>	
<b>Property Name:</b>	<b>Woodbury, MN</b>	
<b>Rank:</b>	<b>C</b>	

**General Comments:**

"Classic" Chalet

- Is there any new supply that entered the market in the last 24 months?

No

- Is any new supply coming in the next 24 months that can impact this property?

No

Are there any fundamental changes in demand generators that will impact asset positive or negative?

No.

- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?

Had road closure in May/June 2009 which did negatively affect business with two major exit ramps closed making it difficult for travelers to navigate through the detour which took them by comp. set hotels (ESA & Holiday Inn Express).

- Any other major things that can impact hotel positively or negatively

No.

Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(182)	(424)	(0.11)	(\$10,707.83)	-1.41%	\$4.32
Internet - Expedia	193	(85)	(0.33)	\$2,615.17	0.35%	\$3.15
PMS Group Reservation	50	29	(1.01)	\$2,099.21	0.28%	\$14.30
PMS Reservation	(1,723)	(2,924)	0.16	(\$134,299.32)	-17.72%	(\$1.42)
PMS Walk-In	2,116	3,426	(0.01)	\$129,309.12	17.06%	(\$2.43)
<b>Total</b>	<b>454</b>	<b>22</b>	<b>(0.07)</b>	<b>(\$10,983.65)</b>	<b>-1.45%</b>	<b>(\$0.69)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?

We implemented an aggressive rate approach for 2011 to gain market share which has resulted in a positive STR report for the first two months of 2011. In January we had an index of 118.7% in occupancy and 114.1% in REVPAR vs. comp set. Through the first 26 days of February we have an occupancy index of 101.1% and 91.4% in REVPAR.

- Talk to the projections for 2011.

Through the first two months of 2011 we are at 44.35% occupancy which is an increase of 9.89% vs. budget and up 10.44% over LY which translates into an increase of \$14,496.32 vs. budgeted dollars in 2011. Room supply growth will be constrained for the foreseeable future and demand is strengthening. Will continue with aggressive rate approach and 3, 5 & 7 day rate plans to help steal market share and strengthen shoulder dates.

- Review Capex needs of each asset. Validate and add to what John V. provides.

Locks, TVs, roofing, parking lot, carpets, furniture, tubs, vanities, bath floors, washers, ice machines.

Republican National Convention in 2008 boosted occupancy

Loss of occupancy index in 2010 due to our negative condition.

## LP 6 - VPO Comments on Assets

District: 4

**Property Number:** 10126  
**Property Name:** St. Louis-Westport  
**Rank:** C

**General Comments:**

Renovated asset in suburban office park setting

- Is there any new supply that entered the market in the last 24 months?  
No.
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Nothing in 2010. Nothing in 2011.
- Any other major things that can impact hotel positively or negatively?  
Boeing was just awarded a major defense contract. This could result in new hiring in the area.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	61	15	(0.02)	\$15,401.73	1.38%	\$3.32
Internet - Expedia	872	(163)	(0.18)	\$22,726.00	2.04%	\$2.43
PMS Group Reservation	(8)	(7)				
PMS Reservation	(3,219)	(3,706)	0.31	(\$172,286.05)	-15.46%	(\$2.75)
PMS Walk-In	4,276	5,564	0.02	\$218,960.48	19.65%	(\$2.01)
<b>Total</b>	<b>1,982</b>	<b>1,703</b>	<b>(0.05)</b>	<b>\$83,121.52</b>	<b>7.46%</b>	<b>\$0.37</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
We compete against two LaQuinta's and a Comfort Inn. We cannot compete with their amenities. The comps have shuttle, breakfast, F&B, pool.
- Talk to the projections for 2011.  
Confident that we will meet our budget. We have a very strong rate plan and we will control expenses.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Carpets, PTACs, bedsets, TVs, fencing, parking lot, dryers, draperies, windows, painting, and electronic locks.

Fees/Tax/ insurance increase in 2011 budget.

ADR is low & not expected to increase which affects NOI

## LP 6 - VPO Comments on Assets

District: 4

**Property Number:** 10143  
**Property Name:** St. Louis-St. Charles  
**Rank:** C

**General Comments:**

This property is directly south of I-70 on the western edge of St. Charles. The immediate area is filled with strip malls and shopping centers. There are no major employers in the vicinity. The surrounding area south and west of the property is considered moderately affluent. The surrounding area to the north and east is older and less affluent. This property has historically prospered on local business. The Friday and Saturday revenue has been sufficient to carry the weaker Sunday through Thursday business. In March 2009 we started running an extremely competitive weekly rate to match the three extended stay properties in the area. It has grown to account for 29% of our business in 2010 and holding at almost the same percentage so far in 2011. The property received the Gen 3 renovation in 2006.

- Is there any new supply that entered the market in the last 24 months?  
A Country Inn & Suites was opened in May of 2010 – 63 rooms - not competitors
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
The unemployment rate for St. Charles has gone from 5.8 in 11/08 to 8.1 in 12/10. This change has definitely affected our weekend business.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Nothing in 2010. Nothing in 2011.
- Any other major things that can impact hotel positively or negatively  
Economic conditions  
  
Ford, Chrysler closed recently and Boeing downsized.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(197)	(515)	(0.14)	(\$13,453.06)	-1.36%	\$4.37
Internet - Expedia	238	(22)	(0.31)	\$7,482.11	0.75%	\$3.19
PMS Group Reservation	(12)	(53)	(0.83)	(\$1,985.47)	-0.20%	\$5.12
PMS Reservation	(2,610)	(1,450)	1.09	(\$105,858.67)	-10.66%	(\$5.19)
PMS Walk-In	2,306	2,998	(0.06)	\$141,681.15	14.27%	\$1.03
<b>Total</b>	<b>(275)</b>	<b>958</b>	<b>0.10</b>	<b>\$27,866.06</b>	<b>2.81%</b>	<b>(\$0.48)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?

We started offering an aggressive weekly rate in March of '09. Our numbers in January 2010 were extremely good because of the business/revenue the weekly rates brought.

**Property Number:** 10143  
**Property Name:** St. Louis-St. Charles  
**Rank:** C

- Talk to the projections for 2011.  
We are planning to hit budgeted revenue and profit budgets in 2011. Both of these should be tight but we have plans in place to achieve this. We have already increased our weekly rate \$20/week and have not seen a decrease in occupancy. We have a plan in place to get weekly c/o rooms back in order without a loss in quality. The emphasis on quality has increase our GSS scores to company standards so far in 2011, assuring return guests. Labor control is looked at weekly and adjusted according to revenue. One unknown is we had a workers compensation case last year when the property was robbed at gunpoint. The GSR did not return to work and filed workers comp. The case has not been settled and I'm not sure if we'll have a payout this year charged to the property.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
PTACs, carpets, bedsets, TVs, drapes, windows, repair retention pond.

Need to add expense for locks.

Due to high unemployment, area is on decline

ADR is down from '08-'09 and not expected to return which has negative impact on NOI

## LP 6 - VPO Comments on Assets

District: 4

Property Number: 10202  
 Property Name: Plymouth, MN  
 Rank: C

## General Comments:

Renovated chalet in a suburban office park setting. Excellent quality.

- Is there any new supply that entered the market in the last 24 months?  
No
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
Best Western across the street has remodeled and has added a breakfast.  
New Twins Stadium opened in 2010.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
No.
- Reservation contribution change

Distribution Type
CRS Reservation
Internet - Expedia
PMS Group Reservation
PMS Reservation
PMS Walk-In
Total

# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
(300)	(748)	(0.13)	(\$21,678.51)	-2.63%	\$4.60
622	(51)	(0.11)	\$18,686.19	2.27%	\$3.36
(6)	1	1.33	\$147.79	0.02%	\$7.02
(1,788)	(2,218)	0.22	(\$102,023.15)	-12.39%	(\$0.29)
1,417	2,603	0.10	\$116,910.72	14.20%	(\$1.21)
(55)	(413)	(0.03)	\$12,043.04	1.46%	\$1.92

- Why are we better or worse in STR performance to prior or tract or comp set?  
Loss of regular construction business. Loram Construction Company left in 2010 which had negative impact on our occupancy index.
- Talk to the projections for 2011.  
Expect that revenue and profitability will be improved.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
A/C, PTACs, bedsets, TVs, water heaters/boilers.

Budget 2011 wages for GSR to be decreased significantly

## LP 6 - VPO Comments on Assets

District: 4

**Property Number:** 10205  
**Property Name:** Dayton-Fairborn  
**Rank:** B-

**General Comments:**

Renovated property. Next to the Nutter Center.

- Is there any new supply that entered the market in the last 24 months?  
Wingate Hotel opened up at the end of last year. This property is a Full Service property which does not have a high impact on my property.
- Is any new supply coming in the next 24 months that can impact this property?  
According to the Star Pipeline for the (Dayton-Springfield Market) there is one hotel with 111 rooms under construction. There are 11 properties with 797 rooms in the planning stage.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
February we had an Ice storm. March will have Thunder Nationals, and NCAA Tournament 1<sup>st</sup> Round games in the area and a wrestling tournament. At the end June of Last Year we rented 70 rooms per night for five nights of Military base business. That same business this year is not returning.
- Any other major things that can impact hotel positively or negatively  
No.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(822)	(1,457)	(0.07)	(\$63,075.38)	-7.03%	\$7.84
Internet - Expedia	176	(79)	(0.27)	\$9,796.69	1.09%	\$5.72
PMS Group Reservation	176	489	0.08	\$24,069.68	2.68%	(\$1.15)
PMS Reservation	(2,371)	(3,420)	0.22	(\$182,908.56)	-20.37%	(\$0.22)
PMS Walk-In	1,076	1,532	(0.02)	\$91,529.79	10.19%	\$1.87
<b>Total</b>	<b>(1,765)</b>	<b>(2,935)</b>	<b>(0.01)</b>	<b>(\$120,587.78)</b>	<b>-13.43%</b>	<b>\$2.23</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
The latest Star Report (Jan 2011) running 12 month total we are down 2.2% Rev Par Index. We may have been priced too aggressively.
- Talk to the projections for 2011.  
2011 will be a better year than 2010. The increased number of events at the Nutter Center this year will help improve results.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
PTACs/ACs, carpets, desk chairs, bedsets, TVs, shower walls, painting, stair and balcony replacement.

New Manager presents operational issues.

## LP 6 - VPO Comments on Assets

District: 4

**Property Number:** 10231  
**Property Name:** Brookhollow  
**Rank:** C

**General Comments:**

Asset is in a challenging location, needs renovation, has high maintenance needs.

- Is there any new supply that entered the market in the last 24 months?  
There is a new Sleep Inn & Suites which open across the street in September 2009.
- Is any new supply coming in the next 24 months that can impact this property?  
There are 13 new economy hotels under construction in the Houston market, but none in the 290 Brookhollow corridor.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
Houston is hosting the 2011 Final Four  
In 2012 the city of Houston is planning a road expansion for the 290 freeway, which is estimated to take approximately 12 months to complete. This hotel is located on the feeder road of the 290 freeway.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(548)	(1,291)	(0.20)	(\$64,208.74)	-9.84%	(\$3.00)
Internet - Expedia	313	281	0.33	\$12,954.55	1.98%	(\$2.19)
PMS Group Reservation	9	175	10.96	\$5,839.54	0.89%	(\$9.63)
PMS Reservation	(3,029)	(6,422)	0.05	(\$311,247.05)	-47.68%	(\$7.47)
PMS Walk-In	1,611	4,443	0.26	\$116,452.32	17.84%	(\$6.09)
<b>Total</b>	<b>(1,644)</b>	<b>(2,814)</b>	<b>0.05</b>	<b>(\$240,209.38)</b>	<b>-36.79%</b>	<b>(\$6.65)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Quality is generally better at our competitor hotels.
- Talk to the projections for 2011.  
With a recent increase in both walk-in and reservations guest, and improvements in the Houston market. I am projecting an increase in occupancy over last year.
- Review Capex needs of each asset. Validate and add to what John V. provides.

PTACs, carpets, locks, TVs, carpets, painting, toilets, tubs, ice machines.



## LP 6 - VPO Comments on Assets

District: 6

Property Number: 10003  
 Property Name: Kalamazoo East, MI  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months? no
- Is any new supply coming in the next 24 months that can impact this property? No
- Are there any fundamental changes in demand generators that will impact asset positive or negative? no
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
 In 2010, inn benefited from oil spill in nearby town for 6-8 weeks and highway construction close to exit.
- Any other major things that can impact hotel positively or negatively.

- Reservation contribution change.

003 (No call transfer)	2010 YTD	Var to PY	Revenue
CRS Reservation	12.61%	-2.60%	(\$19,689.19)
Internet - Expedia	1.34%	0.62%	\$4,695.56
PMS Group Reservation	0.58%	-1.29%	(\$9,774.11)
PMS Reservation	35.78%	-7.69%	(\$58,283.16)
PMS Walk-In	49.69%	16.41%	\$124,308.91
<b>Total</b>	<b>100.00%</b>	<b>5.45%</b>	<b>\$41,258.01</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
 Market results up in occupancy. While we started a weekly rate to drive occupancy it drove ADR down. Compset rates went up. August was height of oil spill time and compset raised rates by 22%. Overall, inn's quality had declined in 2010 and has started to improve in 2011.
- Talk to the projections for 2011. Revenue should slightly increase in 2011 with new staffing strategy at inn. We have added an MOD (GSR) and allows GM to focus more on big picture sales and staff development instead of day to day details, since he does run 025 as well.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
 Inn has had no capital put into it for years, except for some carpeting and knockdown, only to bring rooms up to acceptable. Inn needs beds, knockdown, carpet and some bath flooring.

Sell – would gain @ #025-Kalamazoo W by more than franchise fees at #003

## LP 6 - VPO Comments on Assets

District: 6

Property Number: 10004  
 Property Name: Flint, MI  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months?  
Hampton Inn & Suites less than one year old. Little impact, except there will be more supply in market.
- Is any new supply coming in the next 24 months that can impact this property?  
Fairfield Inn 10 miles south in Fenton under construction (opening late 2011).
- Are there any fundamental changes in demand generators that will impact asset positive or negative? no
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Asset condition hurts results greatly.
- Any other major things that can impact hotel positively or negatively  
no
- Reservation contribution change.

004 (No call transfer)	2010 YTD	Var to PY	Revenue
CRS Reservation	12.75%	-0.05%	(\$448.96)
Internet - Expedia			
PMS Group Reservation	0.35%	-0.03%	(\$274.84)
PMS Reservation	17.10%	-18.35%	(\$171,852.82)
PMS Walk-In	69.80%	27.34%	\$256,076.25
<b>Total</b>	<b>100.00%</b>	<b>8.91%</b>	<b>\$83,499.63</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Prior manager had a poor attitude, did very little to improve sales or room quality. Market was strong in 2010 for both the inn and the compset, but compset drove rate down and results up. Much quality improvement has been put into property in last four months.
- Talk to the projections for 2011.  
Projections do not look positive for growth over 2010. It was a good year for the very bleak market with nothing new coming in and two additional hotels opened/building.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Inn is in dire need of carpets, beds, bath floors and some furniture.

## LP 6 - VPO Comments on Assets

District: 6

Property Number: 10011  
 Property Name: Grand Rapids, MI  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months?  
no
- Is any new supply coming in the next 24 months that can impact this property?  
Plans were approved for a multi-story hotel to be built next to inn. Drury Inn initiated the change to the zoning but has yet to propose any plans to build.
- Are there any fundamental changes in demand generators that will impact asset positive or negative? - no
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
no
- Any other major things that can impact hotel positively or negatively – no
- Reservation contribution change.

011 (No call transfer)	2010 YTD	Var to PY	Revenue
CRS Reservation	21.71%	-1.35%	(\$9,870.12)
Internet - Expedia			
PMS Group Reservation	0.19%	-0.42%	(\$3,065.60)
PMS Reservation	28.16%	-18.01%	(\$131,350.95)
PMS Walk-In	49.94%	16.24%	\$118,424.58
<b>Total</b>	<b>100.00%</b>	<b>-3.55%</b>	<b>(\$25,862.09)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Super 8 just completed major renovation, very nice product comparable to our rate. Loss of several corporate RRI VP+ accounts due to all suites properties offering \$35 rates for rooms with kitchenette/microfridge units. The market is saturated and our very old product is not competing well any longer with the newer inns.
- Talk to the projections for 2011.  
Without any significant capital investment, this inn will continue to lose revenue. We simply cannot compete any longer with the product we have, even with the good quality of the service and cleanliness.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Inn is well maintained but quite old (and I mean old), especially within the market. Smoking rooms are still being worked on due to non-smoking law. Funding received was not sufficient to take care of all rooms.

## LP 6 - VPO Comments on Assets

District: 6

Property Number: 10015  
 Property Name: Merrillville, IN  
 Rank: B-

## General Comments:

- Is there any new supply that entered the market in the last 24 months?  
Hilton Garden Inn and Comfort Suites
- Is any new supply coming in the next 24 months that can impact this property?  
no
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
no
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
no
- Any other major things that can impact hotel positively or negatively  
no

- Reservation contribution change.

015 call transfer			
11/15/10	2010 YTD	Var to PY	Revenue
CRS Reservation	20.45%	-1.41%	(\$13,857.43)
Internet - Expedia	3.44%	2.43%	\$23,931.92
PMS Group Reservation	1.95%	-0.24%	(\$2,400.73)
PMS Reservation	22.70%	-13.45%	(\$132,456.25)
PMS Walk-In	51.46%	16.16%	\$159,215.59
<b>Total</b>	<b>100.00%</b>	<b>3.50%</b>	<b>\$34,433.10</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Results to compset are flat for the year. Occupancy up but at the hands of ADR. Product is improving so far in 2011 due to change in clean team staff.
- Talk to the projections for 2011.  
Inn should continue to grow in revenue in 2011. Improvements in room quality and front desk service continues and manager now has time to focus on improving sales.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Renovated inn needs very little capital funds, except for beds and some carpets. Parking lot repairs will be necessary and a good paint job on exterior.

## LP 6 - VPO Comments on Assets

District: 6

**Property Number:** 10025  
**Property Name:** Kalamazoo West, MI  
**Rank:** B-

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
no
- Is any new supply coming in the next 24 months that can impact this property?  
Microtel has been built, sitting empty for almost two years now. Partial FF&E was installed, including air conditioning, but inn remains unopened. No word on opening.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
Inn has had Kalamazoo Kings baseball team for three years and it is possible the team will not be playing this year and therefore will be a net loss of around \$23,000.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Oil spill in nearly Marshall, Michigan caused inn to fill near 100% for 6-8 weeks.
- Any other major things that can impact hotel positively or negatively  
no

- Reservation contribution change.

025 call transfer 9/15/10	2010 YTD	Var to PY	Revenue
CRS Reservation	18.15%	3.90%	\$42,176.60
Internet - Expedia	2.34%	2.11%	\$22,869.13
PMS Group Reservation	0.93%	-0.98%	(\$10,553.65)
PMS Reservation	38.64%	-1.62%	(\$17,566.90)
PMS Walk-In	39.94%	12.03%	\$130,060.65
<b>Total</b>	<b>100.00%</b>	<b>15.44%</b>	<b>\$166,985.83</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Consistently strong performance in occupancy and revpar for 2010 results in strong sales efforts with WMU, Kings baseball, and weekly rate performance. Strong quality property.
- Talk to the projections for 2011.  
It will be extremely difficult to meet 2010 revenue due to the oil spill (94% occ in August was due to this business).
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Very little needed at the inn except for beds, beds, beds.

## LP 6 - VPO Comments on Assets

District: 6

**Property Number:** 10031  
**Property Name:** Milwaukee, WI  
**Rank:** C+

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
Fairfield Inn and Candlewood Suites, MainStay in last 3 years
- Is any new supply coming in the next 24 months that can impact this property?  
no
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
Airport and road construction negatively (minor) impact to inn. Tract scale not affected as much as this direct exit. Airport expansion has been discussed for last few years, but nothing has started. Additional runways to be constructed.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
no
- Any other major things that can impact hotel positively or negatively  
Airport and road construction negatively (minor) impact to inn. Tract scale not affected as much as this direct exit. Airport expansion has been discussed for last few years, but nothing has started. Additional runways to be constructed.

- Reservation contribution change.

031 call transfer

11/15/10

2010 YTD

Var to PY

Revenue

	2010 YTD	Var to PY	Revenue
CRS Reservation	20.53%	0.58%	\$5,085.16
Internet - Expedia	3.41%	1.25%	\$10,932.00
PMS Group Reservation	0.12%	-0.53%	(\$4,608.70)
PMS Reservation	25.40%	-14.69%	(\$128,276.67)
PMS Walk-In	50.53%	19.07%	\$166,435.80
<b>Total</b>	<b>100.00%</b>	<b>5.68%</b>	<b>\$49,567.59</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Compset and inn improved occupancy at the hands of ADR, compset with slightly better year-end results. Room quality continues to be a challenge here (housekeeping).
- Talk to the projections for 2011.  
Revenue should increase in 2011 due to cycling over operational challenges in 2010. Highway project ended improving accessibility to inn and pending airport expansion could bring additional business to Milwaukee area.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Inn needs beds and landscape renovation.

## LP 6 - VPO Comments on Assets

District: 6

Property Number: 10043  
 Property Name: Benton Harbor, MI  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months?  
no
- Is any new supply coming in the next 24 months that can impact this property?  
no
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No, except the area's reputation is not as bad as it used to be; not a city to avoid any longer
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Oil spill in Marshall Michigan (1 ½ hours East) gave us some business, but not much.
- Any other major things that can impact hotel positively or negatively  
no

- Reservation contribution change.

043 no call transfer	2010 YTD	Var to PY	Revenue
CRS Reservation	17.32%	2.08%	\$18,500.93
Internet - Expedia	0.01%		
PMS Group Reservation	0.03%	-1.21%	(\$10,727.92)
PMS Reservation	33.95%	-11.96%	(\$106,424.09)
PMS Walk-In	48.69%	12.14%	\$108,066.60
<b>Total</b>	<b>100.00%</b>	<b>1.07%</b>	<b>\$9,534.50</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Nothing unusual; both inn and market down in occupancy, and both up in ADR pretty close in results. Hard to maintain a compset due to so many flag changes. Our compset is a mixture of very low end (Motel 6, Howard Johnson and Knights Inn – formerly Super 8) and high end (Holiday Inn Express, Comfort Suites, Baymont)
- Talk to the projections for 2011.  
There is nothing to make us speculate that the inn will do any better or worse in 2011.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Lobby, parking lot, exterior paint, beds, wallpaper to knockdown – all needed

## LP 6 - VPO Comments on Assets

District: 6

Property Number: 10052  
 Property Name: Madison, WI  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months?  
no
- Is any new supply coming in the next 24 months that can impact this property?  
no
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
no
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
no
- Any other major things that can impact hotel positively or negatively  
no

- Reservation contribution change.

052 no call transfer	2010 YTD	Var to PY	Revenue
CRS Reservation	22.39%	-2.78%	(\$22,769.85)
Internet - Expedia	6.37%	3.77%	\$30,882.05
PMS Group Reservation	0.08%	-0.09%	(\$777.87)
PMS Reservation	26.59%	-12.81%	(\$105,036.07)
PMS Walk-In	44.57%	9.85%	\$80,787.61
<b>Total</b>	<b>100.00%</b>	<b>-2.06%</b>	<b>(\$16,914.13)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Market and inn occupancy flat to previous year, both with ADR decline. No changes in operation in 2010, ended slightly up to compset.
- Talk to the projections for 2011.  
There is nothing to make us speculate growth or decline for the next year. Hopefully we can grow with ADR, but GM will need to work hard on driving sales through additional occupancy.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Inn needs beds, landscape/parking lot issue caused by erosion.



## LP 6 - VPO Comments on Assets

District: 6

Property Number: 10078  
 Property Name: Chicago Lansing  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months?  
no
- Is any new supply coming in the next 24 months that can impact this property?  
no
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
no
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
no
- Any other major things that can impact hotel positively or negatively  
no

- Reservation contribution change.

078 no call transfer	2010 YTD	Var to PY	Revenue
CRS Reservation	14.06%	-2.72%	(\$31,612.77)
Internet - Expedia	2.25%	1.13%	\$13,179.86
PMS Group Reservation	0.20%	-1.11%	(\$12,911.82)
PMS Reservation	18.28%	-24.19%	(\$280,948.17)
PMS Walk-In	65.21%	24.50%	\$284,579.23
<b>Total</b>	<b>100.00%</b>	<b>-2.39%</b>	<b>(\$27,713.67)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
 Inn was poorly run in 2010, quality issues and turnover in GM as a result. Unbelievable discounting drove ADR down unnecessarily as a result of lack of comfort of product and demanding clientele. Floating GM is now trying to turn business around to a more professional atmosphere.
- Talk to the projections for 2011.  
 Due to the continued success of adding shifts to the Ford Assembly plant within miles of the inn and hiring of an experienced professional GM, we should be able to drive more corporate business at a higher ADR.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
 Beds, some carpet replacement due to aging renovation

Budget 2011 NOI \$86,959...should we adjust new tax amounts? Jane checking.

## LP 6 - VPO Comments on Assets

District: 7

**Property Number: 020****Property Name: Lansing West****Rank: B-**

General Comments: 81 room one building Chalet built in 1975. Renovated Gen III in 2008.

- Is there any new supply that entered the market in the last 24 months?  
Yes, Springhill Suites opened a new build 90 room property in early 2009 around ½ miles from our location on the west side of the interchange.
- Is any new supply coming in the next 24 months that can impact this property?  
No new supply according to the Delta Township commission at our exit, but there is vacant land as you continue west on Saginaw Highway about a 1 mile from the exit that is listed as commercial real-estate. Lansing Tract reports 2 new builds with a total of 174 rooms under construction.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
With the state economy improving, we have started to see an increase in state government business not seen in several past years. Lansing is the state capitol. Also, we have been approached by the Michigan Department of Transportation (MDOT) on purchasing the small parcel of land at the front of our property to install a four way traffic light. This 6 foot easement will have a positive effect for the location as a left hand turn out of our property now is almost impossible at certain times of the day.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
The Saginaw Highway exit underwent a major change early in 2010 that did impact all hotels at the exit. The exit went from 93A & 93B down to a single off ramp (93) closing either the east bound or west bound traffic the ramp was under construction. Although this hurt our revenue during the time of construction, the long term will be greatly improved as the area expands.
- Any other major things that can impact hotel positively or negatively  
Michigan State University is the major business driver in the market and events start in March almost each weekend continuing through the football season ending in mid November. Also Lansing is the state capitol of Michigan which generates government related business. This business segment has been down for the last several years and now we are starting to see an increase in this area once again as the economy continues to improve.
- Reservation contribution change.  
2010 YTD  
CRS -.8%  
Internet +2.19%  
PMS Group -.9%  
PMS Reservation -15.4% Not a call transfer property.  
PMS Walk In +18.94  
Total +4.04%
- Why are we better or worse in STR performance to prior or tract or comp set?  
12 month running: Revpar +.5%; Occupancy Index 117.0; ADR Index 99.0%; Revpar Index 115.8%
- Talk to the projections for 2011.  
Exit construction over and state economy improving.  
Occupancy +1.5% above budget. 67.7%  
ADR +\$2.30 above budget. \$48.50  
Revpar +2.39 above budget. \$32.83
- Review Capex needs of each asset. Validate and add to what John V. provides.  
2011 14K Locks  
5K HVAC  
8K Beds  
2012 59K Flatscreens  
2013 No budgeted dollars  
Misc. Will need some minor parking lot repairs not included in the 3 year cap.  
Some lift if we sell #29- Lansing East and don't keep flag.

**Property Number: 029****Property Name: Lansing East****Rank: C**

General Comments: 80 room one building Chalet built in 1977 Non Renovated

- Is there any new supply that entered the market in the last 24 months?  
No new supply with 5 miles and no plans for new builds. The Clarion at our interchange has closed due to bankruptcy and no future plans to reopen. This makes us the closet lodging property to Michigan State University pavilion center.
- Is any new supply coming in the next 24 months that can impact this property?  
No new supply and no plans for new builds at our interchange or within 3 miles. Lansing Tract reports 2 new builds with a total of 174 rooms under construction.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
Positive signs include several retail and supporting amenities coming back to the east side of Lansing and many new opens about 1 to 2 miles from the property. Also the closed General Motors plant of Lansing reopen in early 2010. Lansing is a big GM town and as the auto maker rebounds so will the Lansing economy. Also Lansing is the state capitol of Michigan and government business has been down over the past 4 years and now we are also seeing this rebound. We have picked up in this area late in 2010 and even more so in early 2011.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
In March of 2010 our exit went under bridge construction closing the exit for east bound traffic and it did impact us for 3 ½ months as traffic patterns had to detour over ½ mile to get to our property. This was especially true during the spring farming events at MSU pavilion which drives our business with high occupancy and event rate. Many attendees stayed at the Okemos exit east of our location to avoid the detour.
- Any other major things that can impact hotel positively or negatively  
Michigan State University is the major business driver in the market and events start in March almost each weekend continuing through the football season ending in mid November. Due to the decline and age of our product, our event rate has declined steadily over the past several years. Soft goods and room knockdown would improve this product tremendously and the pay back would be in early year 2 based on event adr erosion.
- Reservation contribution change.  
2010 YTD  
CRS +2.34%  
Internet +2.86%  
PMS Group -.6%  
PMS Reservation -8% Not a call transfer property.  
PMS Walk In +13.08%  
Total +9.53%
- Why are we better or worse in STR performance to prior or tract or comp set?  
12 month running Revpar +7.9%  
Occupancy Index 115.3%  
ADR Index 99.4%  
Revpar Index 114.6%

**Property Number: 029**

**Property Name: Lansing East**

**Rank: C**

- Talk to the projections for 2011.  
Bridge construction completed, additional retail opening, and state economy improving and closing of exit competitor all should point to positive results. If this location could improve interior condition with soft goods and room knockdown we should see large improvements in revpar during events throughout the year at MSU.  
Occupancy +2.25% above budget. 67.0%  
ADR +\$1.50 above budget. \$47.70  
Revpar +\$2.05 above budget. \$31.96
- Review Capex needs of each asset. Validate and add to what John V. provides.
  - 2011 13K Locks  
2600 HVAC  
27K Carpeting
  - 2012 17K Beds  
58K Flatscreens
  - 2013 No budgeted dollars

Misc. Will need parking lot major repairs estimated at \$30K and stucco repairs estimated at \$7K. In addition the location could benefit from soft goods and room knockdown in 60% of the rooms. Payback for room improvements would come early in year two based on ADR event rate improvement.

**Property Number: 133****Property Name: Detroit Southfield****Rank: C**

General Comments: Single building 3 story chalet. 113 rooms with meeting room. Built in 1986  
Gen III full renovation in 2004.

- Is there any new supply that entered the market in the last 24 months?  
Nothing in the Southfield and surrounding areas. Overall Detroit tract has seen 3 new builds with a total of 335 rooms.
- Is any new supply coming in the next 24 months that can impact this property?  
Nothing new planned and no vacant landed for expansion. Some projections for high end hotels in the downtown area as the city continues to develop abandon or obsolete manufacturing areas.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
The auto industry continues to restructure and positive signs of improvement are starting to show. Many of the skilled trades are back to working 40 hours per week on a regular basis and they are even seeing some overtime on the weekends which have not been heard of in many years. This location has had a very poor image in the community and our new GM is having an impact improving the image and quality. We now have positive relationships with local agencies and starting to see a shift towards gray and blue collar travelers during the week. Our plan is to build this business during the week and then increase rates on weekends with the heavy leisure demand.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Major impact with Telegraph Road being closed from 696 to 13 Mile Road for 5 months. This construction did not end until October 2010 and had a significant effect during our normal peak season. Travelers had to drive 2 miles past our location, which is not easy to access anyway, make a turn around and come back through the construction zone to reach us.
- Any other major things that can impact hotel positively or negatively  
Much improved room quality and service since new GM has been in place.  
June 2011 World Cup qualifying rounds at Ford Field.
- Reservation contribution change.  
  
2010 YTD: CRS Reservations -2.09%  
Internet +.75%  
PMS Group 0%  
PMS Reservation -30.13% Not a call transfer property.  
PMS Walk In +21.27%  
Total -10%
- Why are we better or worse in STR performance to prior or tract or comp set?  
12 month running: Revpar +1.3  
Occupancy Index 112.6%  
ADR Index 105.0%  
Revpar Index 118.2%

**Property Number: 133**

**Property Name: Detroit Southfield**

**Rank: C**

- Talk to the projections for 2011.  
Should see nice improvements both in occupancy and adr with new high caliber GM focused on sales and property quality.  
Occupancy +4% above budget. 53.77%  
ADR +\$4.00 above budget. \$50.34  
Revpar +\$7.01 above budget. \$27.07
- Review Capex needs of each asset. Validate and add to what John V. provides.
  - 2011 14K Locks
  - 2500 Windows
  - 5K Ac Units
  - 10K Beds
  - 2012 82K Flatscreens
  - 2013 40K Parking Lot

## LP 6 - VPO Comments on Assets

District: 8

**Property Number: #064****Property Name: Fairmont, WV****Rank: B****General Comments:**

Inn #064 is located in Fairmont, West Virginia, 129 miles north of Charleston and 66 miles south of Pittsburgh on Interstate 79. Fairmont is the home of a Technology Park, which employs over 2500 people. Five years ago NASA built a state of the art building in this office park. Alleghany Power Company is the most recent company to re-locate to Fairmont. The Technology Park is developing 25 more acres and hopes to employ 5000 people by 2015.

In 2010, this 108 room non-renovated property generated \$1.459K in total revenues, a \$331K increase over the previous year. These outstanding revenue results catapulted the inn to a NOI of \$600K! ( a \$250K increase from 2009 ) 2010 Flow Thru of 92.5%, ranks #9 in the entire company.

- Is there any new supply that entered the market in the last 24 months?  
A 59 room Holiday Inn Express opened five miles south of the inn in 2009.  
A 78 room Holiday Inn Express opened ten miles north of the inn in 2008.
- Is any new supply coming in the next 24 months that can impact this property?  
A 91 room Marriott Inn is expected to open in Bridgeport, ten miles south of inn in the Summer of 2011.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
As stated above the Technology Park located one mile from the inn has a goal to double in size over the next five years. RRI generates revenue from the contractors building and maintaining the facility. A renovated inn will allow us to recruit the white collar people visiting this park.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?

In 2010, Fairmont State University, utilized the RRI for student housing for the Fall Semester. This resulted in total revenues of \$68K. We are not forecasting for this revenue to return in 2011 or beyond.

- Any other major things that can impact hotel positively or negatively:

We are not aware of any other activities, which will impact our profitability performance over the next three years.

- Reservation contribution change:

In 2010, this inn generated \$88K/6.2% in CRS Reservations. These results were down \$43K/-3.0% from 2009.

- Why are we better or worse in STR performance to prior or tract or comp set?

In 2010, the year ending RevPAR Index of 95.6% was up 5.4% versus the comp set and 10.4% versus the tract scale. The primary reason was superior leadership. The GM at this inn does an above average job in all facets of revenue management. In addition, the NR Results of 6.1% demonstrate the GM's ability to satisfy guests at a non-renovated inn.

**Property Number: #064**

**Property Name: Fairmont, WV**

**Rank: B**

- Talk to the projections for 2011:

In 2011, we set a room revenue budget of \$1.428K, which is flat to 2010 results. We anticipate reaching these results with similar occupancy and adr results to 2010. ( 78.9% occupancy; \$45.92 ADR ) It is very challenging to increase rates at this non-renovated inn, one year older than the year before. The biggest challenge will be replacing the \$68K in Fairmont State University revenue in September, October and November. We displaced roughly \$20K in revenue in the fall of 2010 due to 100% occupancy results. Our mission is to find \$48K in new revenue during the fall months.

February 28<sup>th</sup>, YTD, room revenues are up \$12K over the budget and \$15K over last year. This revenue surplus will help neutralize the revenue deficits, in Sept, Oct and Nov.

- Review Capex needs of each asset. Validate and add to what John V. provides.

In April of 2011, the RME will be coordinating repairs for the drive way entrance. Estimates are in the \$35K to \$40K for these pavement repairs. Remaining capital funds will be allocated to beds, carpets, bedspreads/skirts and ptac's as needed.

Note: There are 63 guest bath floors at this inn with guest offensive permanent stains and discoloration. These floors need to be replaced in 2011!

Poor condition

Renovation can return ROI thru ADR. NextGen would help greatly but we still need to cater to construction.



## LP 6 - VPO Comments on Assets

District: 8

**Property Number: #148****Property Name: Hilton Head, SC****Rank: B****General Comments:**

Inn #148, is located on Hilton Head Island at the southern tip of South Carolina. ( 40 miles east of Interstate 95 ) Hilton Head has a population of 33,000 and is the largest island between New Jersey and Florida. ( 12 miles long and 5 miles wide )

In 2010, this 111 room property generated \$935K in total revenues, a \$31K increase over the previous year. Meanwhile, the inn generated a NOI of \$118K, a \$17K increase over 2009. Profitability was impacted by subpar expense controls in the following categories > ( Guest Service Salaries +7K over the previous year; Security +14.5K; Supplies +7K; R&M +14K; Other Utilities +7K ) Our goal in 2011 is to generate over \$1M in revenue and \$200K in NOI!

\*\* Total R&M = \$14K over the budget

\*\* Hotel Maint = \$5K over > electrical repairs in both vending rooms; moisture prevention

\*\* Building = \$4K over > exterior light and signage repairs;

\*\* Fire Protection = \$7K over > expenses incurred in 2009

- Is there any new supply that entered the market in the last 24 months?

In the past five years, no additional hotels have been built on the Island. In early 2010, the adjacent Motel 6 was converted to the Hilton Head Suites an independent long term rental facility for interns.

- Is any new supply coming in the next 24 months that can impact this property?

There are no additional hotels expected to open on the Island in the next three years.

- Are there any fundamental changes in demand generators that will impact asset positive or negative?

We do not anticipate any changes in demand generators in the next three years.

- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?

None!

- Any other major things that can impact hotel positively or negatively

The GM has been at this inn for two years and is working diligently to improve the occupancy and revenue results. The GM is very involved with the Chamber of Commerce and is actively recruiting all contractor business.

We anticipate the conversion of the 120 room Motel 6, will propel our revenue results. RRI is the only economy hotel on the Island. ( Days Inn, Hampton Inn and Quality Inn are the only mid-scale national brands on the island )

**Property Number: #148**

**Property Name: Hilton Head, SC**

**Rank: B**

- Reservation contribution change:

In 2010, this inn generated \$273K/29.6% in CRS Reservations. These results were down \$58K/-6.3% from 2009.

- Why are we better or worse in STR performance to prior or tract or comp set?

In 2010, the RevPAR at this inn was up 1.8% versus a .1% increase for the comp set and -.7% decline for the tract scale. The GM at this inn does an effective job in all facets of revenue management. One of our primary goals in 2010 was to improve our internet travel ratings and placement. I am pleased to say our overall Trip Advisor rating improved from #28 of 42 hotels in December of 2009 to #12 of 42 hotels in December of 2010. We believe this will have a positive impact on revenues in 2011 and 2012.

- Talk to the projections for 2011:

In 2011, we set a room revenue budget of \$998K, representing a \$75K or 8.1% increase. Our mission is to generate this increase with a mix of occupancy and adr. The occupancy increase is scheduled throughout the year. The adr increase will occur primarily during the weekends.

February 28<sup>th</sup> YTD, room revenues are down \$14K to the budget and \$10K to last year. ( cycling over \$26K in Time Warner cable installation revenue in the first quarter of 2010 ) The GM and I, are confident we will overcome this revenue deficit in the second and third quarter and beat our revenue and profitability budgets!

- Review Capex needs of each asset. Validate and add to what John V. provides.

2011 capital funds are allocated for beds, carpets and ptac's as needed. No other capital dollars anticipated in 2011.

Expense controls could be better.

2010 spent \$14K in security due to incident; this is over now.

Off season we need construction business to up NOI – sales oriented GM needed.

**Property Number: #155**

**Property Name: Durham/Research Triangle Park, NC**

**Rank: B-**

**General Comments:**

Inn #155 is located in Durham, North Carolina on the outskirts of Research Triangle Park. Durham has a population of 187,000 and the Research Park is a 7000 acre wooded tract with 170 companies employing over 42,000 people. Leading companies in the research park are Bayer, Glaxo Smith Kline, IBM, Underwriters Laboratories and agencies such as the EPA.

In 2010, this 115 room property, generated \$950 in total revenues, a \$15K decline from the previous year. Meanwhile, the overall NOI of \$132K was down \$20K from the previous year. The GM does an above average job controlling expenditures as reflected by the Flow Thru of 41.1%, ranking number 46 in the company. The overall Net Profitability was hurt severely by a one time Except-Impairment Charge of \$1.158M in December.

The 2010 NR of .96 ranked number three in the company and illustrates the overall quality and service level at this inn.

- Is there any new supply that entered the market in the last 24 months?

Zero hotels opened with four miles of this inn the past two years.

- Is any new supply coming in the next 24 months that can impact this property?

There are no new hotels scheduled to open within four miles of this inn in 2011 or 2012.

- Are there any fundamental changes in demand generators that will impact asset positive or negative?

A GM with four years of experience transferred to this inn in August, 2010. The GM is working diligently to establish relationships with his alma mater, NC Central University, located three miles from the inn. The GM and I, are confident we can recruit an additional \$50K in revenue from this university. The additional revenue will come from contractors who are remodeling existing buildings and adding new class rooms. The university has a goal to increase their size and enrollment from 9000 students to 15,000 students by 2020.

- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?

None!

- Any other major things that can impact hotel positively or negatively:

As stated above NC Central University has a goal to increase enrollment from 9000 to 15,000 by 2020.

- Reservation contribution change:

In 2010, this inn generated \$106K/11.6% in CRS Reservations. These results were down \$25K/-2.7% from 2009.

**Property Number: #155**

**Property Name: Durham/Research Triangle Park, NC**

**Rank: B-**

- Why are we better or worse in STR performance to prior or tract or comp set?

In 2010, the year ending RevPAR Index of 86.1% was down 6.4% to the comp set. Through research our new GM discovered the 125 room Homestead was the big victor in 2010. The Homestead was under renovation the majority of 2009. ( 25% of the rooms at a time ) This lead to total revenue gains of 30% plus in 2010.

- Talk to the projections for 2011.

In 2011, we set a room revenue budget of \$993K, a \$75K/8.3% increase from 2010. February 28th, YTD room revenues are up \$15K over last year and \$10K over the budget. Based on this trend and market conditions we feel confident we will generate over \$1M in revenue in 2011.

- Review Capex needs of each asset. Validate and add to what John V. provides:

In 2011, this inn has a capital budget of \$82K allocated for a badly needed new roof. Remaining capital funds will be utilized for beds, carpets and ptac's.

**Property Number: #164****Property Name: Durham/Duke University Medical Center, NC****Rank: B****General Comments:**

Inn #164 is located in Durham, North Carolina on the outskirts of Research Triangle Park, one fourth miles from Interstate 85. The property is located two miles from Duke University and the Duke Medical Center. The property is three miles from downtown Durham, home of the Durham Bulls minor league baseball team.

In 2010, this 117 room property, generated \$1.042K in total revenues, a \$42K decline from the previous year. Meanwhile, the NOI of \$173,084 was down \$76K from the previous year. The overall profitability was negatively impacted by the following expenditures, which were up over the previous year. ( Supplies +\$10K; R&M +\$13K; Total Energy +\$4K; Total Other Utilities +\$4K )

\*\*\*Total R&M +\$13K

\*\* Building +\$3K > exterior light and signage repairs

\*\* Hotel Maint +\$3.9K > exterior ceiling and soffit repairs

\*\* Parking Lot + 5K > Lot repairs by dumpster area

- Is there any new supply that entered the market in the last 24 months?

Zero new hotels opened within four miles of this inn in the past two years.

- Is any new supply coming in the next 24 months that can impact this property?

A 121 room Hampton Inn is scheduled to open two miles from the inn in late 2011.

- Are there any fundamental changes in demand generators that will impact asset positive or negative?

None!

- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?

None!

- Any other major things that can impact hotel positively or negatively

None!

- Reservation contribution change:

In 2010, this inn generated \$142K/14.01% in CRS Reservations. These results were down \$21K/-2.1% from 2009.

**Property Number: #164**

**Property Name: Durham/Duke University Medical Center, NC**

**Rank: B**

- Why are we better or worse in STR performance to prior or tract or comp set?

In 2010, the year ending RevPAR Index of 61.2% was down 9.8% to the comp set. RRI's year ending revenue was down 4.5%, while the comp set was up 5.8% and the tract scale was up 6.1%. The primary reason for this dismal revenue performance was lack of revenue management focus. I inherited this inn in July and a permanent GM was not in place until late October. The majority of the year, this inn was lead by a GM, managing two inns, seventy miles apart. In addition, the Holiday Inn Express was cycling over a first quarter 2009 renovation.

The new GM has bombarded the area with RRI sales calls and rack cards.

- Talk to the projections for 2011:

In 2011, we set a room revenue budget of \$1.1K, representing an \$84K/8.3% increase over the previous year. Feb 28th YTD, this inn is \$27K over the previous year and \$23K over the budget. The GM and I feel confident we will deliver \$1.15K in room revenues in 2011!

- Review Capex needs of each asset. Validate and add to what John V. provides.

In 2011, this inn has a capital budget of \$90K allocated for a new roof and front hood stucco repairs. Remaining capital funds will be utilized for beds, carpets and ptac's.

**Property Number: #201****Property Name: Chapel Hill, NC****Rank: B****General Comments:**

Inn #201 is located in Chapel Hill, North Carolina ¼th miles from Interstate 40. Chapel Hill has a population of 48,000 and is home to the University of North Carolina Tarheels. Our property is five miles from the University and eight miles from the Research Triangle Park.

In 2010, this 114 room property, generated \$945K in total revenues, a \$17K decline from the previous year. Meanwhile the overall NOI of \$167K was down \$90K from the previous year due to the following expenditures. ( Supplies +\$5K; Billboard +\$13K; R&M +\$15K; Total Energy +\$14K; Other Utilities +\$5K; Property Taxes +\$14K )

\*\*\* Total R&M +\$15K

\*\* Building +\$2K > exterior lighting repairs, carried over from 2009

\*\* Boilers & Water Heaters +\$2K > boiler repairs

\*\* Carpet & AC Cleaning +\$2.5K

\*\* Pest Control +\$3.8K

- Is there any new supply that entered the market in the last 24 months?

A Springhill Suites with 130 rooms opened one mile from the inn in April, 2010.

- Is any new supply coming in the next 24 months that can impact this property?

There are no plans for additional hotels in Chapel Hill in 2011 or 2012.

- Are there any fundamental changes in demand generators that will impact asset positive or negative?

None!

- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?

None!

- Any other major things that can impact hotel positively or negatively

The new GM arrived in November, 2010 and has utilized his ten plus years of hotel experience to improve the overall operation. This is reflected in the improved quality, service, revenue and profitability results.

- Reservation contribution change:

In 2010, this inn generated \$132K/14.4% in CRS Reservations. These results were down \$66K/-7.2% from 2009.

**Property Number: #201**

**Property Name: Chapel Hill, NC**

**Rank: B**

- Why are we better or worse in STR performance to prior or tract or comp set?

In 2010, the year ending RevPAR Index of 66.4% was down 2.3% to the comp set. RRI's year ending revenue was down 2.3%, while the comp set was flat and the tract scale was up 6.1%. The primary reason for this unsatisfactory performance was poor leadership. I inherited the inn in July and terminated the GM in early August. The new GM arrived from training in early November and made an instant impact. This is reflected by the overall quality, service and revenue results over the past three months. The new GM is currently visiting every business within a three mile radius of his property. In December the inn beat the comp set by 7.8%, followed by a 10.6% victory in January.

- Talk to the projections for 2011:

In 2011, room revenue is budgeted for \$1.017K, representing a \$93K/10.0% increase over the previous year. Feb 28th, YTD, this inn has improved revenue \$25K over the previous year and \$20K over the budget. The GM and I feel confident we will deliver \$1.1K in room revenue in 2011!

- Review Capex needs of each asset. Validate and add to what John V. provides.

In 2011, there are \$50K in capital funds allocated for logo upgrades. The remaining capital funds will be allocated for beds, carpets and ptac's.



**Property Number: #242****Property Name: Charleston/Mt. Pleasant, SC****Rank: B****General Comments:**

Inn #242 is located in Mt. Pleasant, South Carolina across the Copper River from Charleston. Mt. Pleasant is an upscale community with a population of 48,000. Our inn is located one mile from the Patriots Point Naval and Maritime Park, four miles from historic downtown Charleston and five miles from the Isle of Palm beaches.

In 2010, this 124 room property, generated \$1.386K in total revenues, a \$44K decline from the previous year. Meanwhile, the overall NOI of \$291K was down \$94K from the previous year due to the revenue loss and following expenditures, which were up over the previous year. ( supplies +\$3K; R&M +\$23K; total energy +\$23K; other utilities +\$3K; property taxes +\$18K )

\*\*\* Total R&M +\$23K

\*\* Building +\$8K > moisture repairs and prevention

\*\* FF&E +\$3K > new beds

\*\* Landscape +\$2K > improvements

\*\* Hotel Maint + \$5.4K > termite treatment carried over from 2009

\*\* Pest Control +\$2K

- Is there any new supply that entered the market in the last 24 months?

A 115 room Holiday Inn Express opened 1/4<sup>th</sup> miles from the inn in March 2010.

- Is any new supply coming in the next 24 months that can impact this property?

There are not any plans for new hotels in Mt. Pleasant in 2011 or 2012.

- Are there any fundamental changes in demand generators that will impact asset positive or negative?

None!

- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?

April, 2011 will mark the 150 anniversary of the Civil War. The first shot of the civil war was fired at nearby Fort Sumtner. We anticipate generating an extra \$20K in revenue from tourist in the second quarter of this year.

- Any other major things that can impact hotel positively or negatively  
None!

- Reservation contribution change:

In 2010, this inn generated \$414K/30.4% in CRS Reservations. These results were down \$30K/-2.2% from 2009.

**Property Number: #242**

**Property Name: Charleston/Mt. Pleasant, SC**

**Rank: B**

- Why are we better or worse in STR performance to prior or tract or comp set?

In 2010, the year ending RevPAR Index of 99.4% was down .2% to the comp set. RRI's year ending revenue was down 3.9%, while the comp set was down 3.7% and the tract scale was down 4.2%. In 2009, Days Inn refurbished the interior of their property in the first and fourth quarter. In 2010, they delivered 10% revenue growth over the previous first and fourth quarter.

Our biggest area for improvement in 2011 is increasing the weekday contractor business. The GM is working diligently to make this happen.

- Talk to the projections for 2011:

In 2011, room revenue is budgeted for \$1.432K, representing a \$96K/6.5% increase over the previous year. The first two months of 2011 have been very challenging for this inn. This is reflected by the Feb 28th, YTD, revenue result, which are down \$12K from the previous year and \$18K to the budget. The good news is this inn is pacing up over the next sixty days due to the 150<sup>th</sup> Civil War anniversary events scheduled for nearby Patriots Point.

I am projecting this inn revenue's will match the 2010 results and fall \$67K under the 2011 budget.

- Review Capex needs of each asset. Validate and add to what John V. provides.

In 2011, \$40K is allocated for new electronic locks. The remaining funds will be utilized for exterior painting, beds, carpets and ptac's.

Need new pool furniture & landscape

## LP 6 - VPO Comments on Assets

District: 9

Property Number: 10046  
 Property Name: Toledo Maumee  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months? **No**
- Is any new supply coming in the next 24 months that can impact this property? **No**
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
**Days Inns across the street was shut down by the city due to tax issues. It was auctioned off on 3/2/11 for \$805,000 and bought back by the bank.**
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? **No**
- Any other major things that can impact hotel positively or negatively? **Product is very old.**
- Reservation contribution change.

# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
(99)	(300)	(0.07)	(\$8,612.73)	-1.01%	\$1.67

- Why are we better or worse in STR performance to prior or tract or comp set? **We indexed very well against the Comp Set and Tract Scale but they were able to gain more occupancy while lowering rate. Quality at this inn is good but is very tired and old looking. Guest have noticed and opted to go elsewhere in some cases for newer product with more amenities.**
- Talk to the projections for 2011. **I do not see much improvement in 2011 at all, age of product and lack of amenities.**
- Review Capex needs of each asset. Validate and add to what John V. provides. **Looks like we will be getting some A/Cs and Mattresses. \$10,600 in A/Cs, \$18,000 in bedsets. Property needs carpet, bedspreads and drapes due to the fact that they are very old and in very poor shape.**

GM runs this inn and inn #058-Toledo Holland.

Non-renovated

Keep this inn and sell other LP6 asset Inn #058-Toledo Holland.

Will get a lift @ #046 if #058 did not remain a RRI

## LP 6 - VPO Comments on Assets

District: 9

Property Number: 10058  
 Property Name: Toledo Holland  
 Rank: C

## General Comments:

- Is there any new supply that entered the market in the last 24 months? **No**
- Is any new supply coming in the next 24 months that can impact this property? **No**
- Are there any fundamental changes in demand generators that will impact asset positive or negative? **No**
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? **No**
- Any other major things that can impact hotel positively or negatively? **Poor quality of asset**
- Reservation contribution change.

# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
207	316	0.01	\$11,418.55	1.88%	(\$0.46)

- Why are we better or worse in STR performance to prior or tract or comp set? **Property continues to suffer against Comp Set and Tract Scale due to poor quality of asset and no full time manager.**
- Talk to the projections for 2011. **Further declines will be seen.**
- Review Capex needs of each asset. Validate and add to what John V. provides. **\$15k for bedsets and \$50k for replacement of old gothic signage. Replacement of signage is a waste of money in my opinion if we are selling this inn.**

## LP 6 - VPO Comments on Assets

District: 9

Property Number: 10263  
 Property Name: Rockville, MD  
 Rank: A

## General Comments:

- Is there any new supply that entered the market in the last 24 months? **Hilton Garden Inn and Homewood Suites opened in April of 2010.**
- Is any new supply coming in the next 24 months that can impact this property? **None that we are aware of at this time.**
- Are there any fundamental changes in demand generators that will impact asset positive or negative? **No.**
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? **No**
- Any other major things that can impact hotel positively or negatively. **Quality of the bathrooms are very poor due to the fact that when this property was renovated 8 years ago, nothing was done to the bathrooms.**
- Reservation contribution change. **Increase mainly due to Call Transfer**

# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
600	739	(0.05)	\$118,312.21	4.15%	\$9.30

- Why are we better or worse in STR performance to prior or tract or comp set? **We were able to outperform the Comp Set and Tract Scale this past year due to aggressive sales and rate offering to construction accounts. We have not seen that many construction accounts in the area this year so far.**
- Talk to the projections for 2011. **2011 should continue to improve for this inn and the Rockville market.**
- Review Capex needs of each asset. Validate and add to what John V. provides. **\$10,182 for PTACs, \$15,000 for Carpets. Extensive work is needed on this property and the money budgeted is not sufficient to keep up with our competitors.**

Bathrooms need work: floors, walls, tubs.

Lobby needs renovation

Restaurant attached to lobby, empty and poor condition.

**Property Number:** 056

**Property Name:** Memphis, TN

**Rank:** C

**General Comments:** 108 room non renovated chalet property with 2 buildings. HWY location off I-40 at exit 12. We are located 12 miles east of downtown. The inn is located next to Cracker Barrel. This market has become increasingly highly competitive in the economy segment – with many hotels changing flags.

- **Is there any new supply that entered the market in the last 24 months?** No new supply at this exit – just many flag changes over the past two years. However it should be noted that exits 16-18 are new and up & coming exits – with all supporting amenities (i.e. mall, shops, restaurants, etc). Holiday Inn and LQ. Downtown has a new Holiday inn going up
- **Is any new supply coming in the next 24 months that can impact this property?**  
No new supply at our current exit.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
None  
Agriculture center – 4 miles way provides events almost every weekend. The fairgrounds, Liberty Bowl and University of Memphis – 8 miles, Motor Sports Park – 10 miles, FEDEX Forum – 12.5 miles, Beale Street and Mud Island – 18 miles. Companies nearby include: Service master, Zee Medical, Immigration and Naturalization, Danka Copiers, TruGreen & Chemlawn and Baptist memorial East. Bass pro shop located at same exit. Elvis week – August, Heritage Classic Football, Memphis in May
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
No longer getting (Church of God in Christ) in November.
- **Any other major things that can impact hotel positively or negatively**  
Security. This area is increasingly seeing S&S issues.
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -28.75% while walk in was up +21.63%. CRS was down 6.02%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Down 13.4% to tract scale with index % change in 2010. Down 3.7% to comp set index % change in 2010. Mainly due to many hotels dropping down to the economy sector as well as our product in the market place. Most of our competitors have had at least a “refresh”
- **Talk to the projections for 2011.**  
Revenue is budgeted +73,972 vs. LY (3% increase in occupancy & \$1.31 in ADR)  
Revenue is forecasted +34,612 vs. LY (.81% increase in occupancy & .20 in ADR)  
NOI is projected to be -10k
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*Carpets \*Spreads \*chairs \*coat racks \*lampshades \*beds \* painting guestroom walls  
(currently has tasso)

NOTE: According to Sue Eastman, this location has an offer on the table...but is working on lender approval. This will take at least a minimum of four months and most likely six.

Recent results have been good. Need new signs.

LP 6 - VPO Comments on Assets

District: 11

**Property Number: 085****Property Name: Columbia West****Rank: C**

**General Comments:** 108 room non renovated chalet property with 2 buildings. HWY location off I-26 at Saint Andrews Road – exit 106. We are located 7 miles northwest of downtown and 8 miles from the airport. The inn is located at an exit that is on the decline.

- **Is there any new supply that entered the market in the last 24 months?** No new supply at this exit – However it should be noted that exits 101-103 are new and thriving exits – with all supporting amenities (i.e. mall, shops, restaurants, etc).
- **Is any new supply coming in the next 24 months that can impact this property?**  
No new supply at our current exit.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
None. Exit reputation issues.
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
The Masters (Golf) used to be business we would get but majority do not come to this exit anymore  
Benedict College a couple of years ago used to place temporary housing at our inn and M6
- **Any other major things that can impact hotel positively or negatively**  
Security. This area is increasingly seeing S&S issues.
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -27.56% while walk in was up +20.30%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Down 5.2% to tract scale with index % change in 2010. Down 0.1% to comp set index % change in 2010.  
Mainly due to the strong attraction to exit 103.
- **Talk to the projections for 2011.**  
Revenue is budgeted +26k vs. LY (1.25% increase in occupancy & \$.59 in ADR)  
Revenue is forecasted +12,300 vs. LY (.81% increase in occupancy & .15 in ADR)  
NOI is projected to further decline
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*Carpets \*Spreads \*chairs \*coat racks \*painting guestroom walls and bath walls  
\* Lampshades NOTE: This property has fiberglass tubs.

LP 6	-	VPO Comments on Assets	District: 11
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**Property Number: 088**

**Property Name: Atlanta North (Smyrna), GA**

**Rank: C**

**General Comments:** 136 room minor renovation chalet property with 2 buildings. Located at exit 260 off I-75 (just nine miles from inn 179 – Kennesaw). We are located 12 miles northwest of downtown. We are near Cobb/Galleria Convention center – couple of miles away and Dobbins Air Force Base along with Marietta National Cemetery, Marietta Confederate Cemetery, Six Flags, White Water Park, Cobb Civic Center and Kennesaw Battle field nearby. In addition, Wellstar Hospital, Georgia Tech, and World Congress Center. Highly competitive economy segment market.

- **Is there any new supply that entered the market in the last 24 months?** No new supply at this exit – just many flag changes over the past two years.
- **Is any new supply coming in the next 24 months that can impact this property?**  
No new supply at our current exit.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
none
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
no
- **Any other major things that can impact hotel positively or negatively**  
Security. This area is increasingly seeing S&S issues – especially across the street behind the Magnuson inn is the Masters inn – where drugs and prostitution take place.
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -14.30% while walk in was up +26.66%. CRS was down 3.88%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Down 6.7% to tract scale with index % change in 2010. Down 2.6% to comp set index % change in 2010. However keep in mind that our RevPAR index is typically in the 140% range. Most of our competitors have had at least a “refresh”
- **Talk to the projections for 2011.**  
Revenue is budgeted +55,851 vs. LY (1.49% increase in occupancy & \$1.04 in ADR)  
Revenue is forecasted +27,681 vs. LY (.44% increase in occupancy & .75 in ADR)  
NOI down \$43k to Budget and down \$52k to Forecast
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*15 Carpets \*(10) painting guestroom walls Ice Machine – B building \*Lampshades \*Microfridges in double rooms.



LP 6 - VPO Comments on Assets

District: 11

**Property Number: 113****Property Name: Statesville, NC****Rank: B**

**General Comments:** 115 room minor renovation chalet property – one building with 3 floors. Hwy location at exit 50 off I-77 (just ½ mile south from I-40). We are located 2 miles downtown. We are 44 miles from Charlotte airport. Memorial Hospital and Mitchell Community College are five miles away. Gardner Webb is close Lake Norman is 20 miles. Big stopping point for Northerners traveling to Florida.

- **Is there any new supply that entered the market in the last 24 months?** 2 years ago the Courtyard entered the area and the Hampton entered the market 36 months ago.
- **Is any new supply coming in the next 24 months that can impact this property?**  
No new supply at our current exit.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
none
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
In March we get two weekends of racing revenue. Memorial Day weekend and October
- **Any other major things that can impact hotel positively or negatively**  
East coast traffic Autotruck company out of Cleveland – 20 miles away (they have expanded their operations a little so we anticipate more.
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -21.66% while walk in was up +21.55%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Down 4.3% to tract scale with index % change in 2010. UP 6.9% to comp set index % change in 2010. Courtyard and Hampton have provided additional rooms within the market very near our property, thus causing us to lose some of our demand.
- **Talk to the projections for 2011.**  
Revenue is budgeted +52k vs. LY (2.20% increase in occupancy & \$.33 in ADR)  
Revenue is forecasted +32k vs. LY (2.25% increase in occupancy & decrease of .58 in ADR)  
Budgeted NOI is \$20k less than LY and the forecast is 40k less than LY
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*6 Carpets \*(10) painting guestroom walls \*exterior rails need painted \*6 a/c units \*Beds \*lock problems

LP 6 -

VPO Comments on Assets

District: 11

**Property Number: 114****Property Name: Atlanta South (Morrow), GA****Rank: C**

**General Comments:** 108 room renovated chalet property with 2 buildings. Located at exit 233 at SR54 and off I-75 (just five miles from inn 595 – Stockbridge). We are a Hwy location - 17 miles southeast of downtown. We are 3 miles for Fort Gillem – which is basically a non active military base. The ATL Expo is only 5 miles away. Turner Field and the GA Dome are 15 miles away. ATL Speedway is 17 miles. Has Microcard keys.

- **Is there any new supply that entered the market in the last 24 months?** No new supply at this exit.
- **Is any new supply coming in the next 24 months that can impact this property?**  
None that we know of.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
none
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
Currently going through road construction – widening of I-75 and a whole exit change. This has been going on for 14-15 months now and expect another 14-15 months.
- **Any other major things that can impact hotel positively or negatively**
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -24.75% while walk in was up +20.68%. CRS was up 5.07%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Up 0.1% to tract scale with index % change in 2010. Up 9.6% to comp set index % change in 2010. The road construction has impacted us more than most of our comp set because we are the furthest away and you have to go through all of it to get to us.
- **Talk to the projections for 2011.**  
Revenue is budgeted +45,500 vs. LY (2.96% increase in occupancy & -\$.23 in ADR)  
Revenue is forecasted +20k vs. LY (1.03% increase in occupancy & +.11 in ADR)  
NOI is budgeted to be 17k less than LY and the forecast is showing 13k down to LY
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*6 Carpets \*20 bedspreads \*6 a/c units \*6TVs

LP 6 -

VPO Comments on Assets

District: 11

**Property Number: 166****Property Name: Atlanta (Norcross), GA****Rank: C**

**General Comments:** 115 room non renovated chalet property – one building with 3 floors. Located at exit 101 off I-85 (just 12 miles from inn 130 – Buckhead). We are located 19 miles northeast of downtown. We are a couple miles away from the ATL Trade Center, 3 miles from Gwinnett Place Mall, 14 miles from Mall of GA and 20 miles from GA dome. In addition, this location is near the offices of AT&T, Holox LTD (Welding products), Connor, Handy (Person Services), and Ashworth College/ Brenau University. Gwinnett Tech College – 4-5 miles away – near the convention center. Exit has really changed in the past five years – becoming heavily Hispanic populated.

- **Is there any new supply that entered the market in the last 24 months?** No
- **Is any new supply coming in the next 24 months that can impact this property?**  
No new supply at our current exit. Just flag changes (i.e. Congress Inn is now Ramada – they charge \$49-\$59 with queen beds and refrigerators). Rite4us – located on Oakbrook Park by the LQ – price themselves at \$45
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
none
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
No
- **Any other major things that can impact hotel positively or negatively**  
Security. This area is seeing an increase S&S issues. We do provide security on Fri & Sat
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -23.11% while walk in was up +31.27%. CRS was down 1.37%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Up 4.4% to tract scale with index % change in 2010. Up 14.1% to comp set index % change in 2010.
- **Talk to the projections for 2011.**  
Revenue is budgeted the same as LY although (+2.10% decrease in occupancy & an increase of \$1.67 in ADR)  
Revenue is forecasted +41k vs. LY (.86% increase in occupancy & 1.39 in ADR)  
NOI is showing the budget to decrease 50,500 compared to LY while down 57k to forecast – due mainly to gross salaries and wages.
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*60-75 Carpets \*(25) painting guestroom walls \*6 a/c units \*Lampshades \*Microfridges  
needed for double rooms Hispanic channels

LP 6 -

VPO Comments on Assets

District: 11

**Property Number: 178****Property Name: Florence, SC****Rank: B**

**General Comments:** 112 room renovated chalet property with 2 buildings is located at exit 160 from I-95 and is located at I-20. We are located 4 miles west of downtown. Magnolia Mall is across the street and the City-County Civic center is adjacent. Darlington International Raceway is 12 miles away and Francis Marion College is 10. This exit is the midway point between NY and Florida. This is also a market where people traveling to the beach typically stop to the night before. This is one of the most competitive Markets from a # of hotel standpoint that I have! All brands, products, etc are represented within a five mile radius.

Will work with Neville on STR comp set; haven't decided if we are going to change it yet.

Entrance (i.e. where current shed is) - Azzie said to estimate between \$20k and \$25k to create new entrance to hotel.

- **Is there any new supply that entered the market in the last 24 months?** Residence Inn near us is about 24-30 months old.
- **Is any new supply coming in the next 24 months that can impact this property?**  
No new supply at our current exit.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
none
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
We do get many guests who come for the Civic Center events – which sometimes are just 1x events.  
Race is continuous occurrences – May & September, Fly ball – dog show is every year – typically around mid February. (Jason Aldean was a onetime event – Feb 24, 2011)
- **Any other major things that can impact hotel positively or negatively**  
Sexton Dental Clinic has provided us a good source of revenue in the past. Weather can impact business – due to Florida OR the beach.
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -11.38% while walk in was up +19.86%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Down 1.0% to tract scale with index % change in 2010. Up 1.1% to comp set index % change in 2010.
- **Talk to the projections for 2011.**  
Revenue is budgeted +26k more than LY (.27% increase in occupancy & \$.81 in ADR)  
Revenue is forecasted +45k more than LY (1.07% increase in occupancy & .94 in ADR)  
First two months have given us a trend of better performance.
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*6 Carpets \*6-8 a/c units \*beds

LP 6 -

VPO Comments on Assets

District: 11

**Property Number: 260****Property Name: Macon, GA****Rank: C**

**General Comments:** 132 room non renovated interior corridor property with 4 floors. This property has a few suites as well as a swimming pool. Located at exit 169 off I-75 (less than 10-12 minutes from franchise location. We are located 16 miles from the Macon airport and 79 miles from ATL Hartsfield. Highly competitive economy segment market. Many competitors at \$39 and up.

- **Is there any new supply that entered the market in the last 24 months?** This exit has grown in room supply over the past couple of years. Hilton Garden, Candlewood, Country Inn and Suites, Holiday Inn and Wingate. Prior to that was a new Hampton Inn.
- **Is any new supply coming in the next 24 months that can impact this property?**  
No new supply at our current exit.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
none
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**
- **Any other major things that can impact hotel positively or negatively**  
Just that this area has become increasingly price sensitive with many hotels using a lead rate of \$39
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -22.54% while walk in was up +22.42%. CRS was down 9.69%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Down 8.5% to tract scale with index % change in 2010. Down 6.9% to comp set index % change in 2010.
- **Talk to the projections for 2011.**  
Revenue is budgeted +55k vs. LY (1% increase in occupancy & \$.68 in ADR)  
Revenue is forecasted +5k vs. LY (even to LY in occupancy & +.23 in ADR)  
NOI: down 35k to B and down 49k to Forecast
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*50-70 Carpets \*(20) painting guestroom walls \*8 a/c units \*6 TVs \*bedding \*microfridges \*  
lampshades \*pool repairs (painting)

LP 6 -

VPO Comments on Assets

District: 11

**Property Number: 264****Property Name: Brentwood/Franklin/Cool Springs, TN****Rank: B-**

**General Comments:** 122 room partially renovated hotel. One Interior corridor building with 3 floors. Located at exit 69 off I-65 (just nine miles from inn 161 – Nashville fairgrounds). We are located 15 miles south of downtown. We are near Cool Springs Galleria Mall. Four miles from Williamson County Medical/Hospital. 6 miles from Williamson County Agriculture center. Area businesses include Saturn, Nissan North America (which we get some business from), Atmos Energy, Primus and Verizon Wireless. 2009 revenue was significantly impacted because A) we were down 45 rooms from September to January due to renovation (down \$34k in Sept, down \$24k in Oct., down \$20k in Nov. and down \$20k in Dec). B) Group business in 2009 was down (meaning SMERF accounts – sports & reunion & family reunions, etc. throughout the year). Obviously the lack of revenue impacted the NOI...but so did the following expenses: Network was up \$6k, sewer was up \$6k, State licenses and fees up \$15,500, management fees up \$28k and Royalty fees were up \$28k. **Roof** – I am awaiting news from Azzie; he is waiting on the contractor. We don't believe they will need a new roof...but repairs will definitely be needed. I will get back with a dollar amount.

- **Is there any new supply that entered the market in the last 24 months?** Yes, Hilton Garden – 12 to 16 months ago. Residence Inn and Courtyard– about 12 months ago.
- **Is any new supply coming in the next 24 months that can impact this property?**  
Drury Inn. Holiday Inn within next 24-36 months.
- **Are there any fundamental changes in demand generators that will impact asset positive or negative?**  
none
- **Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?**  
CMA – provides strong demand in June. Agriculture center – horse shows Brown land farms – off Hillsboro 2x year Dog shows 3 year 2 in March & one in October
- **Any other major things that can impact hotel positively or negatively**  
none
- **Reservation contribution change.** Looking at final contribution numbers for 2010 PMS contribution was down -7.75% while walk in was up +15.6%.
- **Why are we better or worse in STR performance to prior or tract or comp set?**  
Up 1.1% to tract scale with index % change in 2010. Up 4.4% to comp set index % change in 2010.
- **Talk to the projections for 2011.**  
Revenue is budgeted +58k vs. LY (2% increase in occupancy & \$.68 in ADR)  
Revenue is forecasted +49k vs. LY (1.60% increase in occupancy & .57 in ADR)
- **Review Capex needs of each asset. Validate and add to what John V. provides.**  
\*carpets in non renovated rooms. \*lampshades in non renovated rooms. \*int. lighting

## LP 6 - VPO Comments on Assets

District: 14

**Property Number:** #10010  
**Property Name:** Danville, PA  
**Rank:** C/B

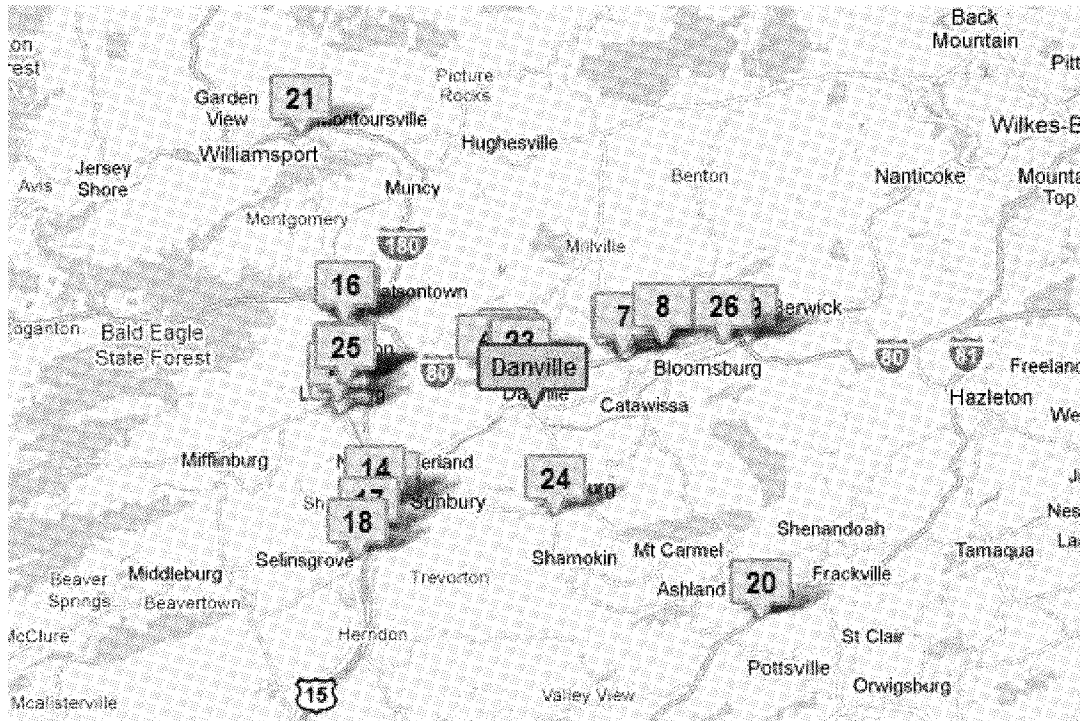
**General Comments:**

This is a two building 2 story 107 room non-renovated inn located along Route 80 in central PA. The exit has changed over the past 10 years in which most of the older hotels have been renovated and reflagged. The exit competes with other markets like Bloomsburg, Lewisburg and Selinsgrove for event business.

- Is there any new supply that entered the market in the last 24 months?  
 No new supply has been added to the exit. During the last Asset review in 2007, the Travel Lodge was closed for renovation and is now open as a Super 8. The last hotel built in the area was a Hampton Inn along Route 15 in Lewisburg. Prior to that, 2 years ago a new hotel was built along Route 80 about 15 miles away. It is now flagged as an interior corridor Motel 6.
- Is any new supply coming in the next 24 months that can impact this property?  
 Nothing planned for this exit or that I am aware of within 40 miles of the exit.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
 Over the past few years, major events such as the truck show and fair have not generated as much overnight business for the market. The inn does benefit from the local Power Plant who scheduled regular cleanings in which they bring crews into the area. Typically this is every year, with every other year being a substantially larger outage.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
 No
- Any other major things that can impact hotel positively or negatively  
 The hotel is non-renovated. The last renovation was an update completed in 2007 known as Big Red in which the inn received new FF&E. We are now the low end player in the market. The two main competitors at the exit are Days Inn and Super 8. They have been reluctant to compete with us on rate because they offer some amenities we do not, which has been great for us. Our inn has a good reputation for quality but as more time passes with no capital spent on this inn, guests are noting how outdated our product is.
- Reservation contribution change.  
 No real change to the reservation contribution over the past couple of years. The inn is primarily 33% walk in, 38% PMS and 29% CRS.
- Why are we better or worse in STR performance to prior or tract or comp set?  
 We outperform the competitive set in revpar index percent change because of an aggressive rate strategy. The competitive set is comprised primarily of mid-scale product with a much higher ADR. We are able to attract budget minded travelers with a much more attractive rate. We did not perform as well as the economy segment tract scale due to proximity to events and other demand generators.
- Talk to the projections for 2011.  
 The projections for 2011 are realistic and attainable at this inn.

**Property Number:** #10010  
**Property Name:** Danville, PA  
**Rank:** C/B

- Review Capex needs of each asset. Validate and add to what John V. provides.  
This is a non-renovated inn. The inn desperately needs updated. At a minimum, we need to replace carpet, bedding and soft goods at the inn in 2011 in order to sustain our loyal customer base.





## LP 6 - VPO Comments on Assets

District: 14

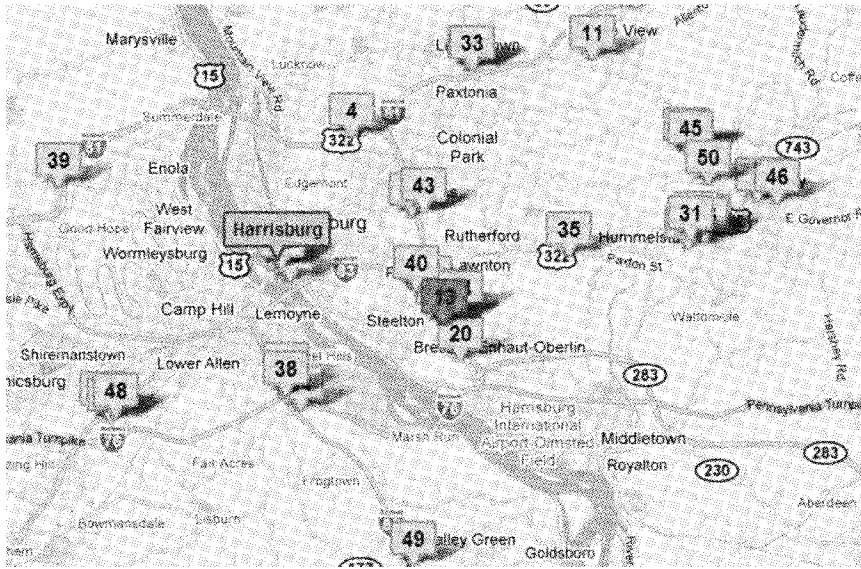
**Property Number:** #10027  
**Property Name:** Harrisburg Hershey  
**Rank:** B

**General Comments:**

There are two inns in the Harrisburg area. Harrisburg North enjoys more of a business clientele base where Harrisburg Hershey's base is more local. This inn is located south of Harrisburg between Harrisburg and Hershey. Historically this is a challenging inn to manage due to local clientele and staffing. The current GM has been at the inn since May 2010. He has made good strides in improving quality and stabilizing the staff. The areas of opportunity are sales and employee motivation.

- Is there any new supply that entered the market in the last 24 months?  
A new 64 room Sleep Inn opened in July 2010 on Eisenhower Blvd just down from our inn. A new 60 room Motel 6 opened on Union Deposit road in 2009.
- Is any new supply coming in the next 24 months that can impact this property?  
There are no new hotels under construction or to my knowledge being planned for this exit or in the general vicinity.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
In 2009 and early 2010, we had a couple companies staying with us that are no longer working in the area. MidWestern, Precision, Miller Pipeline.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively
- Reservation contribution change.  
Contribution has been fairly consistent.  
In Season – 45% Walk In, 30% PMS, 25% CRS/OTA  
Off Season - 65% Walk In, 30% PMS, 10% CRS/OTA
- Why are we better or worse in STR performance to prior or tract or comp set?  
Over the past couple of years, the tract has outperformed the local competitive set. In 2009 we outperformed the competitive set in revpar index percent change. This was due to an aggressive sales effort, a lot of weekly base business, and a relationship with the night club across the street. In 2010, our base business stopped working in the area and had a change in management.
- Talk to the projections for 2011.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
This inn will need bedding, carpets and landscape updates.

Property Number: #10027  
Property Name: Harrisburg Hershey  
Rank: B



## LP 6 - VPO Comments on Assets

District: 14

Property Number: #10048  
 Property Name: Washing ton, PA  
 Rank: B/A

**General Comments:**

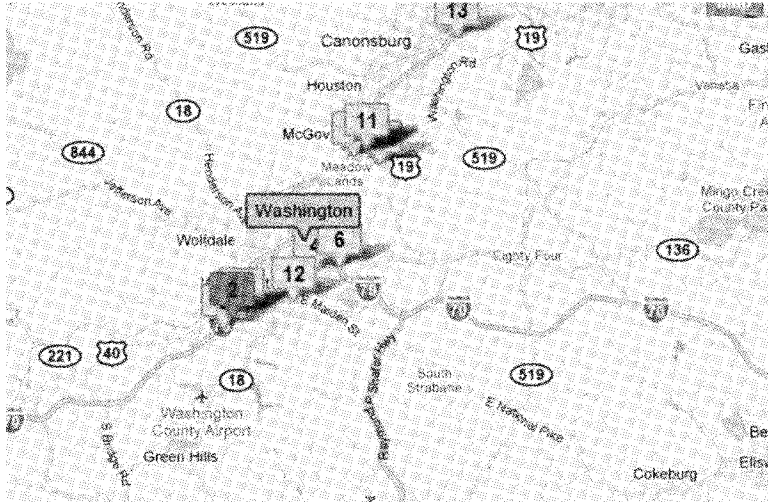
This is a two story two building inn with exterior entrances on the first floor and interior entrances on the second floor. "B" building is renovated in the Next Gen design. "A" building including the office is not renovated. The last few years this inn has benefited from the a large number of Marcellus Shale project workers staying in the area as well as many construction projects occurring within the region. The local horse racing track added a casino in 2009.

- Is there any new supply that entered the market in the last 24 months?  
 A new Comfort Inn & Suites and The Inn at Forza opened in 2008 at this exit. On Route 79N at exit 41, Four new hotels opened in 2009/2010. They are; Comfort Inn & Suites, Candlewood & Suites, Cambria Suites, Hampton Inn Suites and are all mid-scale properties.
- Is any new supply coming in the next 24 months that can impact this property?  
 Not at this exit. Growth in the area is at the Meadowlands Racetrack Exit.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
 The construction and drilling projects are starting to slow down and there are fewer contractors coming to the area on a weekly basis.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
 No
- Any other major things that can impact hotel positively or negatively  
 The Ramada Inn at this exit completed at renovation in 2010 and has been aggressively going after the construction and drilling business in the area.
- Reservation contribution change.  
 No notable changes. Reservation contribution is 39% Walk In, 51% PMS, and 10% CRS and OTAs.
- Why are we better or worse in STR performance to prior or tract or comp set?  
 2008 was great year for this inn with a 22.3 percent revpar index change. This was accomplished by an aggressive sales plan as well as attracting all the weekly construction business in the area with a low rate. In 2009 and 2010, the competitive set followed suit and stole some of the business. In 2010, the strategy was to find a profitable balance between negotiated weekly business and rack business. As we pushed to drive ADR, we sacrificed some occupancy.
- Talk to the projections for 2011.  
 The projections for Occupancy and ADR in 2011 are a stretch. We have pushed rate as far as we can with the current condition of the property. We have made good strides with consistency in quality with regards to cleanliness and service. Overall condition of the property is our opportunity.

**Property Number:** #10048  
**Property Name:** Washing ton, PA  
**Rank:** B/A

- Review Capex needs of each asset. Validate and add to what John V. provides.

This inn needs: "A" building renovation completed. Parking lot curbing, resealed and striping, landscape updates and bedding.



Need to finish renovation on other half of property.  
Old rooms in very poor condition.  
Need landscape renovation and paint building.

## LP 6 - VPO Comments on Assets

District: 14

**Property Number:** #10174  
**Property Name:** Monroeville, PA  
**Rank:** A-

**General Comments:**

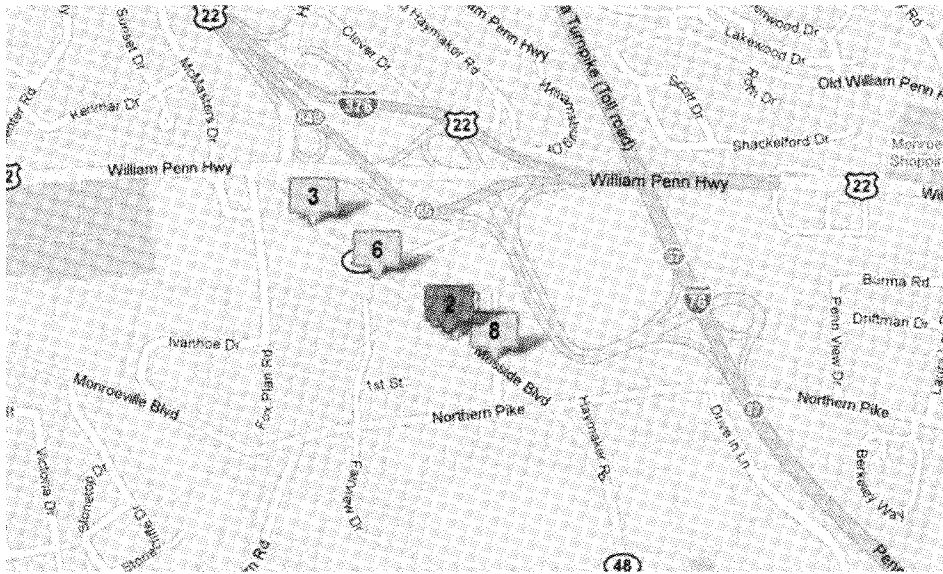
This is a three story 116 room inn. In the fall of 2008, the Expo mart, which was a large revenue generator for this inn, closed due to change of ownership. The Expo mart reopened in the fall of 2009 and is now located farther away from our inn. We have been able to get some business back, but not to the extent pre-closing.

- Is there any new supply that entered the market in the last 24 months?  
A new Comfort Inn and Suites opened directly in front of our inn in 2009.
- Is any new supply coming in the next 24 months that can impact this property?  
No new hotels planned for this exit to my knowledge. Growth in Pittsburgh seems to be closer to downtown Pittsburgh.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
A brand new UPMC hospital is under construction on a lot adjacent to our inn. This will be a huge revenue generator for this inn. We have a relationship with the hospital and have construction sub contractors staying with us as well as nurses already working in the area.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No.
- Any other major things that can impact hotel positively or negatively?

The Expo Mart closed in 2008 and reopened as the Monroeville Convention Center in 2009 further away from our inn. The new owners also own the Double Tree hotel.

- Reservation contribution change.  
In 2010, the contribution was 43% Walk In, 30% PMS, and 27% CRS and OTAs. The largest variance to previous year is in AAA and weekly business.
- Why are we better or worse in STR performance to prior or tract or comp set?  
In 2010, our inn outperformed the competitive set in Revpar and Revpar percent index change. The inn did not perform as well as the tract scale economy chains for this market in Revpar index percent change. This is due primarily to the relocation of the Convention Center
- Talk to the projections for 2011.  
Although we won't realize the benefit of the addition of the hospital to the market until sometime in 2012, the 2011 projections for this inn are realistic.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
This inn will need: bedding, carpet, landscape updates in 2011. Updating the exterior with the new paint color in 2011 or 2012 would also be a great way to draw attention to the inn.

Property Number: #10174  
Property Name: Monroeville, PA  
Rank: A-



## LP 6 - VPO Comments on Assets

District: 14

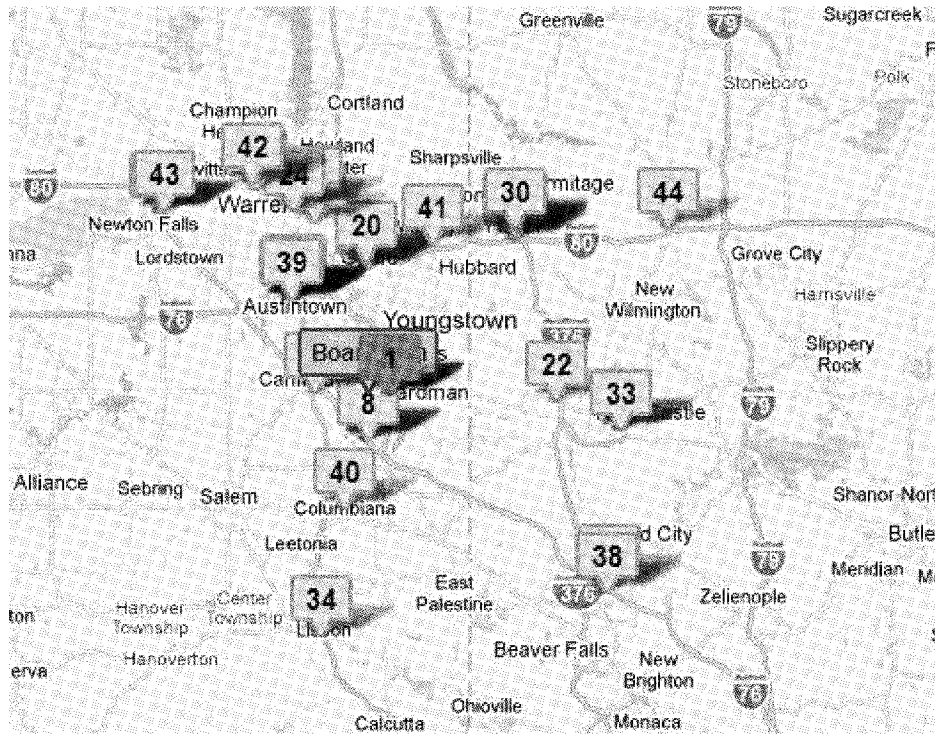
**Property Number:** #10253  
**Property Name:** Boardman – Youngstown, OH  
**Rank:** C

**General Comments:**

This is a Gen II four story non-renovated 117 room inn and suites. The exterior of the property is appealing. The interior is extremely worn and dated and in need of updating. The inn is located in the more mid-scale area of Boardman Ohio just South of Youngstown.

- Is there any new supply that entered the market in the last 24 months?  
No. No new hotels opened at this exit in the last 24 months.
- Is any new supply coming in the next 24 months that can impact this property?  
Not to my knowledge.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No.
- Any other major things that can impact hotel positively or negatively  
The condition of the asset will impact repeat business. The inn is in desperate need of new carpet, furniture, HVAC units and soft goods.
- Reservation contribution change.  
In 2010, the contribution was 41% Walk In. 33% PMS, and 26% CRS and OTAs. The largest variance to previous year is in coupons (up 8%) and Red Hot Deals (down 5%) business.
- Why are we better or worse in STR performance to prior or tract or comp set?  
This inn did not have a comp set until the end of 2010. For the running 12 months ending 12/10, the inn underperformed the tract scale in Revpar index percent change. This was due to Marcellus Shale workers staying in the tract but not in the Boardman market.
- Talk to the projections for 2011.  
The projections for 2011 are realistic with some capital updates at the inn. Carpet, Chairs and HVAC units need to be replaced to keep repeat business. The inn receives good service scores but loses in overall condition.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
The inn needs new carpet, chairs, bedding, and soft goods in 2011.

Property Number: #10253  
Property Name: Boardman – Youngstown, OH  
Rank: C





## LP 6 - VPO Comments on Assets

District: 15

Property Number: #111  
 Property Name: Princeton  
 Rank: B

**General Comments:** Inn is 149 Rooms, 3- Bldg Chalet property. The first two bldgs are original from the 1984 construction with the 3<sup>rd</sup> bldg. It is located on RT 1 right near the intersection of 95 and 295. Clientele is a strong mix local and business.

- Is there any new supply that entered the market in the last 24 months? The inn saw no new supply in last two years after seeing new supply for multiple years prior.
- Is any new supply coming in the next 24 months that can impact this property? None that we are aware of.
- Are there any fundamental changes in demand generators that will impact asset positive or negative? Brand new University Hospital opening about two miles away. Not sure of impact at this point.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? None.
- Any other major things that can impact hotel positively or negatively. None.
- Reservation contribution change. Looking at final contribution numbers for 2010 PMS contribution was down -(23.71%). while walk in was up +14.4%
- Why are we better or worse in STR performance to prior or tract or comp set? REVPAR index for end of year 2010 was down - (6.5%). It was a case of maybe being overpriced. OCC index was down - (16.8%) and rate was up +12.4%. Good news is current REVPAR index is +38.6 for running 28 days.
- Talk to the projections for 2011. Looking at 2011 from a Revenue standpoint the inn is budgeted for \$1,336,680. Which is +\$58,053 over 2010. CP is budgeted at \$496,673 which is +\$163,799. NOI post reserve is for 2011 is \$139,350. This is +\$180,497 over 2010
- Review Capex needs of each asset. Validate and add to what John V. provides. Looking at CapEX the inn has 57k reserve for 2011, \$60k for 2012, \$63k for 2013, \$65k for 2014 and \$67k for 2015. The inn has \$48k budget for lock replacement in 2012 along with \$108k for TV's in 2012. And the inn has \$150k budgeted for Roof in 2015

## LP 6 - VPO Comments on Assets

District: 15

Property Number: #289  
 Property Name: South Deerfield, MA  
 Rank: B

**General Comments:** This inn is a 122 room interior corridor location that was an M6 conversion in 2001. The inn was built in 1977 but converted from an M6 in 2001. It is a Gen 3 interior and indoor pool. The inn is in excellent shape from a maintenance standpoint, however it is in need of a soft good and carpet replacement. The inn sits right off of interstate 91 with a large high-rise visible from the interstate in both directions. The inn has mostly transient clientele or event driven clientele. These events range from college and prep school functions, to multiple sports tournaments etc.

- Is there any new supply that entered the market in the last 24 months? No new supply changes, however we did have some flag changes. Super 8 converted to a Days Inn, and the Greenfield Inn tuned into a Quality inn.
- Is any new supply coming in the next 24 months that can impact this property? None
- Are there any fundamental changes in demand generators that will impact asset positive or negative? No changes to demand generators. Although, road project of installing the amber alert system on I-91 has wrapped up and the 23 rooms that we had from it five days a week for 2 years ended in Oct of 2010. (Henkel's and McCoy)
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues? 2010 had a large dog show that does not return for several more years.
- Any other major things that can impact hotel positively or negatively. Inn lost high-rise sign to wind damage on Dec 26<sup>th</sup> 2010 and to date has not been re-installed.
- Reservation contribution change. Looking at final numbers for 2010 CRS contribution was up +5.93% (not a call XFR location), walk in was up 4.36% and PMS was down -(9.46) over PY
- Why are we better or worse in STR performance to prior or tract or comp set? REVPAR index for end of year 2010 was down - (7.5%). Almost all of this was from Oct to Dec after we lost the Henkel's and McCoy account. OCC index was down - (6.6) and rate was up - (1.0) %. 2011 is not off to good start as well as the inn is without the high-rise and the lost account cycling over. Current 28 days is - (19.8%) in Revpar.
- Talk to the projections for 2011. Looking at 2011 from a Revenue standpoint the inn is budgeted for \$1,634,037, which is +\$64,902 over 2010. CP is budgeted at \$799,875 which is +\$57,504. NOI post reserve is for 2011 is \$452,135. This is +\$5,129 over 2010
- Review Capex needs of each asset. Validate and add to what John V. provides. Looking at CapEX the inn has \$66k reserve for 2011, 6\$9k for 2012, \$72k for 2013, \$4k for 2014 and \$77k for 2015. The inn has \$89k for TV's in 2012. And the inn has \$150k budgeted for Roof in 2015

Need beds! Old M6 beds (60 sets) \$200 per room

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10076  
**Property Name:** Jacksonville South  
**Rank:** C

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
Holiday Inn Express and Courtyard by Marriott.
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
No
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(389)	(600)	0.01	(\$22,831.41)	-2.40%	\$1.16
Internet - Expedia	238	(39)	(0.20)	\$6,860.56	0.72%	\$0.85
PMS Group Reservation	22	43				
PMS Reservation	(3,673)	(4,305)	0.60	(\$194,533.55)	-20.46%	(\$3.43)
PMS Walk-In	4,772	7,492	0.10	\$293,544.65	30.87%	(\$0.70)
<b>Total</b>	<b>970</b>	<b>2,591</b>	<b>0.08</b>	<b>\$83,619.96</b>	<b>8.79%</b>	<b>(\$1.05)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?
- Talk to the projections for 2011.  
We are not hitting budget in 1Q 2011 due in part to loss of our billboard. We do, however, feel we can meet budget due to projected improvement.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Carpets, A/C's and bedsets.

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10083  
**Property Name:** Pensacola  
**Rank:** B

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
Yes. Three hotels re-opened within the last 6 months. These hotels were closed about 18 months ago. Baymont Inn, ABV and an independent. Also, new RRI Franchise opened on exit 7 which is 6 miles West.
- Is any new supply coming in the next 24 months that can impact this property?  
Not aware of any.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Gulf Oil spill occurred April 2010 which initially negatively impacted occupancy but then helped.
- Any other major things that can impact hotel positively or negatively  
As of today Tar balls are still washing ashore in Pensacola Beach. This could damage the Summer tourist season.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(660)	(1,401)	(0.17)	(\$62,762.11)	-5.57%	\$3.42
Internet - Expedia	1,008	57	(0.08)	\$35,920.85	3.19%	\$2.50
PMS Group Reservation	(115)	(269)	(1.33)	(\$10,535.76)	-0.93%	\$15.77
PMS Reservation	(2,406)	(2,460)	0.35	(\$152,593.95)	-13.54%	(\$3.65)
PMS Walk-In	2,928	4,290	0.04	\$214,834.29	19.06%	(\$0.07)
<b>Total</b>	<b>755</b>	<b>217</b>	<b>(0.06)</b>	<b>\$24,863.32</b>	<b>2.21%</b>	<b>\$0.63</b>

- Why are we better or worse in STR performance to prior or tract or comp set?
- Talk to the projections for 2011.  
Decline in RevPar due to Gulf Oil spill business in Summer 2010. We believe the budget is achievable as we are off to a good start.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
A/C's , Carpets and bedsets.

Had negative impact due to oil spill, drove some leisure business away

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10093  
**Property Name:** Virginia Beach  
**Rank:** B

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
No
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
Sentara Hospitals which is walking distance is expanding.
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
Gas prices could impact this destination property.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(138)	(978)	(0.25)	(\$9,479.48)	-0.77%	\$10.81
Internet - Expedia	179	(427)	(0.58)	\$5,966.81	0.49%	\$7.89
PMS Group Reservation	(130)	(170)	2.74	(\$7,762.75)	-0.63%	\$10.51
PMS Reservation	(3,511)	(4,723)	0.18	(\$209,614.01)	-17.09%	\$3.54
PMS Walk-In	2,888	3,994	0.01	\$178,319.05	14.54%	(\$3.18)
<b>Total</b>	<b>(712)</b>	<b>(2,304)</b>	<b>(0.08)</b>	<b>(\$42,576.38)</b>	<b>-3.47%</b>	<b>\$3.57</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Occ has been trending up in past two months over comp.
- Talk to the projections for 2011.  
We do feel we can meet budget 2011 as we are tracking well in 1Q 2011. ADR achievement back to 2007 levels not likely in next 3-5 years.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
A/C's, carpets and bedsets.

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10108  
**Property Name:** Hampton  
**Rank:** B

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
No
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Concerts, Sports fest
- Any other major things that can impact hotel positively or negatively  
Weather, gas prices.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(54)	(437)	(0.20)	(\$15,136.36)	-1.66%	\$2.81
Internet - Expedia	275	(24)	(0.34)	\$6,885.04	0.75%	\$2.05
PMS Group Reservation	(37)	(94)	(0.30)	(\$670.38)	-0.07%	\$29.47
PMS Reservation	(3,240)	(4,572)	0.24	(\$232,639.33)	-25.51%	(\$2.21)
PMS Walk-In	2,546	4,115	0.04	\$144,250.78	15.82%	(\$3.87)
<b>Total</b>	<b>(510)</b>	<b>(1,012)</b>	<b>(0.02)</b>	<b>(\$97,316.27)</b>	<b>-10.67%</b>	<b>(\$2.44)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Inn has been indexing over 100 against the comp set and has been improving lately against LY
- Talk to the projections for 2011.  
Anticipate stronger tourist season.  
We do feel we can meet budget with an expected stronger tourist season.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
A/C's, carpets and bed sets.

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10117  
**Property Name:** Mobile South  
**Rank:** C

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
Wyndam and LaQuinta opened within the past 24 months, and is only a few hundred feet away.
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
Gulf Oil spill in the Summer of 2010 positively impacted occupancy.
- Any other major things that can impact hotel positively or negatively  
No
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	34	210	0.14	\$15,525.27	1.42%	\$3.55
Internet - Expedia	190	(6)	(0.31)	\$5,201.89	0.47%	\$2.59
PMS Group Reservation	-	-				
PMS Reservation	(2,766)	(748)	1.22	(\$43,529.29)	-3.97%	(\$1.57)
PMS Walk-In	2,974	7,985	0.42	\$327,512.75	29.87%	(\$0.97)
<b>Total</b>	<b>432</b>	<b>7,441</b>	<b>0.48</b>	<b>\$304,710.62</b>	<b>27.79%</b>	<b>(\$0.76)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
We are better in Str performance due to aggressive daily/weekly pricing.
- Talk to the projections for 2011.  
Unfortunately projected down from 2010 due to Gulf Oil spill not repeating. However, we are up significantly in 1Q 2011.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Parking lot repairs/seal and stripe and dryer replacement.

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10120  
**Property Name:** Tallahassee  
**Rank:** C+

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
No
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
FSU football weekends
- Any other major things that can impact hotel positively or negatively  
Yes. We are trying to secure a street sign through the county.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(787)	(1,602)	(0.17)	(\$31,578.98)	-3.23%	\$10.27
Internet - Expedia	930	(256)	(0.33)	\$17,939.58	1.83%	\$7.50
PMS Group Reservation	129	144	(1.28)	\$5,705.72	0.58%	\$17.82
PMS Reservation	(3,327)	(3,515)	0.21	(\$152,730.19)	-15.61%	(\$0.02)
PMS Walk-In	3,649	4,548	0.00	\$183,542.30	18.75%	(\$0.04)
<b>Total</b>	<b>594</b>	<b>(681)</b>	<b>(0.08)</b>	<b>\$22,878.43</b>	<b>2.34%</b>	<b>\$2.40</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
We continue to have strong occupancy index but negative ADR index due in part to our condition.
- Talk to the projections for 2011.  
Anticipate increase in occupancy as we have recently been approved to a street sign.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Carpets, beds and parking lot repairs.



## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10144  
**Property Name:** Tampa Busch  
**Rank:** C

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
No
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
New roller coaster coming to Busch Gardens
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
Cold weather in February/March 2010 negatively impacted occ.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(1,080)	(1,720)	(0.04)	(\$65,151.08)	-7.57%	\$2.65
Internet - Expedia	159	(337)	(0.41)	\$7,408.80	0.86%	\$1.93
PMS Group Reservation	(52)	(78)	(0.43)	(\$3,097.02)	-0.36%	\$0.26
PMS Reservation	(2,984)	(3,075)	0.60	(\$191,861.86)	-22.28%	(\$111.39)
PMS Walk-In	4,711	6,506	(0.06)	\$313,589.77	36.42%	\$3.83
<b>Total</b>	<b>754</b>	<b>1,296</b>	<b>0.02</b>	<b>\$60,888.61</b>	<b>7.07%</b>	<b>\$0.16</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
Aggressive pricing to improve occupancy help build during shoulder months.
- Talk to the projections for 2011.  
Anticipate stronger tourist season.  
We are up in 1Q 2011
- Review Capex needs of each asset. Validate and add to what John V. provides.  
Carpets, Pool Deck and A/C's

'06 renovation was only soft goods; not an actual renovation  
Security costs high at approximately \$80K/year

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10154  
**Property Name:** Chesapeake  
**Rank:** B

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
Value Place Inn, Hampton Inn and Suites and Hyatt Place opened in past 24 months.
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
Rate compression hurt our business
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
No
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	23	(278)	(0.17)	\$7,923.31	0.65%	\$7.91
Internet - Expedia	607	(118)	(0.41)	\$22,217.72	1.82%	\$5.78
PMS Group Reservation	20	63	1.40	\$3,474.92	0.28%	(\$8.34)
PMS Reservation	(4,636)	(6,879)	0.25	(\$346,168.99)	-28.29%	(\$1.02)
PMS Walk-In	3,030	4,905	0.03	\$181,377.80	14.82%	(\$4.07)
<b>Total</b>	<b>(956)</b>	<b>(2,307)</b>	<b>(0.05)</b>	<b>(\$131,175.24)</b>	<b>-10.72%</b>	<b>(\$8.58)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?  
We are challenged in this market as there are very few economy hotels. Our comp set includes Hampton Inn and Fairfield Inn.
- Talk to the projections for 2011.  
Anticipate a stronger Summer tourist season for this Inn.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
A/C's, carpets, bedsets and parking lot repairs.

## LP 6 - VPO Comments on Assets

District: 17

Property Number: 10227  
 Property Name: West Palm Beach  
 Rank: B

## General Comments:

- Is there any new supply that entered the market in the last 24 months?  
Springhill Suites and Homewood Suites opened adjacent to our Inn within the past year.
- Is any new supply coming in the next 24 months that can impact this property?  
No
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
Hurricanes in the past boosted both ADR & Occupancy strongly; however, rates have since dropped by \$45! Also, our security costs are up significantly due to new coverage requirement by the association which we are a part of.
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	365	76	(0.22)	\$3,125.01	0.22%	(\$0.44)
Internet - Expedia	1,016	(118)	(0.28)	\$28,666.45	2.04%	(\$0.32)
PMS Group Reservation	29	114	0.98	\$9,844.44	0.70%	\$27.16
PMS Reservation	(3,217)	(5,924)	(0.18)	(\$356,392.07)	-25.34%	(\$1.98)
PMS Walk-In	4,173	6,627	0.05	\$412,428.05	29.33%	\$5.08
Total	2,366	775	(0.15)	\$97,671.88	6.94%	\$2.24

- Why are we better or worse in STR performance to prior or tract or comp set?
- Talk to the projections for 2011.  
After years of ADR erosion we will be increasing ADR in 2011.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
A/C's, carpet and bedsets.

High security costs recently imposed on the inn is having negative impact on NOI.

## LP 6 - VPO Comments on Assets

District: 17

**Property Number:** 10251  
**Property Name:** Jacksonville Southpoint  
**Rank:** B-

**General Comments:**

- Is there any new supply that entered the market in the last 24 months?  
Town Place opened Fall of 2009.
- Is any new supply coming in the next 24 months that can impact this property?  
Yes. Loft hotel on Southside Blvd.
- Are there any fundamental changes in demand generators that will impact asset positive or negative?  
No
- Any one time events, like super bowl, road closures, horse show etc that helped or hurt revenues?  
No
- Any other major things that can impact hotel positively or negatively  
No
- Reservation contribution change.

Distribution Type	# Of Reservations	Room Nights	Avg. Length of Stay	Revenue	Contribution	ADR
CRS Reservation	(31)	(144)	(0.04)	(\$11,535.14)	-1.17%	(\$1.35)
Internet - Expedia	2,025	(18)	(0.18)	\$51,824.89	5.27%	(\$0.98)
PMS Group Reservation	22	63	0.26	\$11,330.89	1.15%	\$59.66
PMS Reservation	(2,604)	(3,213)	0.33	(\$211,555.95)	-21.52%	(\$9.79)
PMS Walk-In	3,731	5,066	0.02	\$204,529.65	20.81%	(\$2.23)
<b>Total</b>	<b>3,143</b>	<b>1,754</b>	<b>(0.15)</b>	<b>\$44,594.34</b>	<b>4.54%</b>	<b>(\$1.98)</b>

- Why are we better or worse in STR performance to prior or tract or comp set?
- Talk to the projections for 2011.  
We do feel we can meet budget for 2011.
- Review Capex needs of each asset. Validate and add to what John V. provides.  
A/C's, carpets and bedsets.